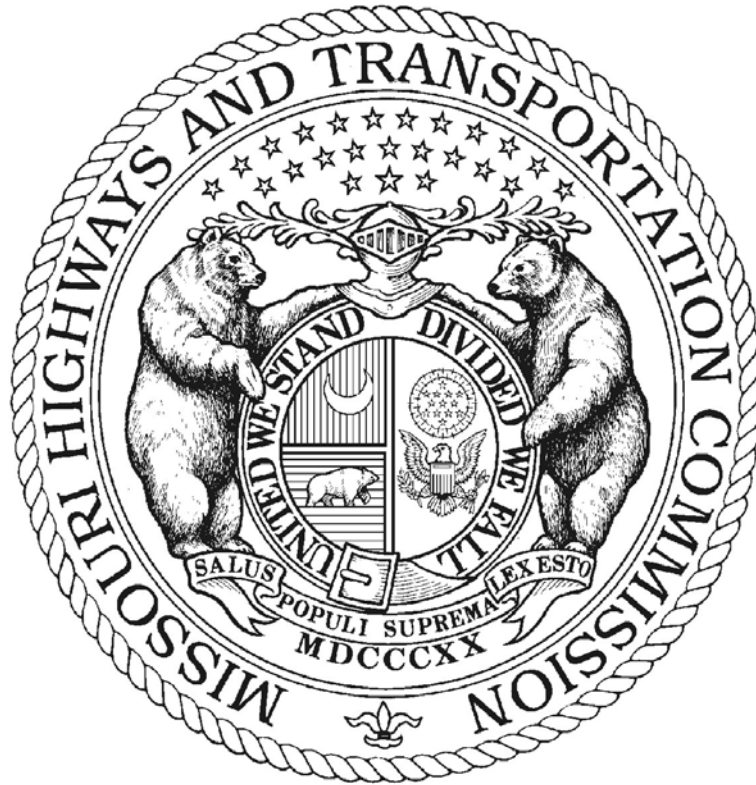


# MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION POLICIES

As of March 5, 2014

*The Commission's purpose in providing these policies is to provide guidelines and direction to MoDOT staff for the internal management of the Department.*



**The Mission of the Missouri Highways and Transportation Commission is to:**

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

(January 12, 2011)

This page intentionally left blank.



# Missouri Highways and Transportation Commission Policies

## TABLE OF CONTENTS

<b>COMMISSION .....</b>	<b>1</b>
Guiding Principles	
Commentary	
Statewide Perspective	
Commission to Act in Unison, Employees and Contractors to be Qualified	
Public to Receive Courteous Treatment	
Transportation System – Multimodal Perspective	
Transparency – Open Meetings and Records	
Policies and Administrative Rules	
Commentary	
Policies	
Administrative Rules (Code of State Regulations)	
Delegation of Authority	
Meetings	
Commentary	
Meeting Minutes	
Delegations	
Staff Presentations	
Members	
Commentary	
Reporting Potential Conflicts of Interest	
<b>ADMINISTRATIVE SETTLEMENTS .....</b>	<b>23</b>
Contractor Claims – See “HIGHWAYS – Construction – Contractor Claims”	
Employees	
Insurance Claims	
Motor Carrier Industry	
Rail Industry Safety	
Right-of-Way – See “HIGHWAYS – Right-of-Way Acquisition”	
<b>AUDITS .....</b>	<b>25</b>
Commentary	
Audit Committee	
Audit Committee Charter	
Audits and Investigations Division Audit Charter	
<b>EMERGENCY OPERATIONS .....</b>	<b>29</b>
Emergency Operations	

<b>EMPLOYEES.....</b>	<b>31</b>
Specific Positions – Statutory Provisions	
General	
Conduct	
Diversity and Inclusion	
Employee Safety	
Harassment	
Grievances and Complaints	
Military Service	
Political Affiliation	
Compensation Package	
Compensation	
Medical and Life Insurance	
Guidelines for Board of Trustees	
Unemployment Insurance	
Workers’ Compensation	
Retirement	
Credit Unions	
<b>ENTERPRISE RISK MANAGEMENT .....</b>	<b>45</b>
General – Enterprise Risk Management	
Liability Insurance (General Liability and Vehicle Fleet Liability)	
Self-Insurance Plan, General Liability and Vehicle Fleet Liability	
<b>EQUIPMENT AND PROCUREMENT.....</b>	<b>55</b>
Airplanes	
Purchase, Sale, and Disposal of Department Equipment	
Procurement of Professional Services (Other than STIP Related)	
Vendors, Procurement of Supplies – Rules	
<b>EXECUTION OF DOCUMENTS.....</b>	<b>59</b>
<b>FINANCIAL .....</b>	<b>61</b>
Budget	
Operating Budget	
Joint Projects – Non-STIP	
Capital Improvements	
Debt Management	
Bond Financing Summary	
Debt Management Policy	
Project Funding and Financing Alternatives (Cost Share)	
Transfer of Funds and Reimbursements	
Financial Transactions	
Electronic Management System	
Electronic Grant Clearinghouse System	

Electronic Grant Tracking System  
Federal Agencies  
Transfer of Funds – State Highway and Transportation Fund to State Road Fund

**HIGHWAYS .....89**

Bridges

Bridge Attachments

Bridge Inspections – Local Area Bridges – See “STATE AND LOCAL ENTITIES”

Bridge Weight and Speed Limit Postings

Closing Highways – Delegation of Authority and Rules

Construction

Bidding Process

Authority to Receive and Compile Bids

Competitive Bidding

Fair Labor Standards Act Applied to Both Federal and State Projects

Escrowing Bid Documents

Pre-Bid Information Available to Public

Claims

Contractor Claims and Claims against Contractors

Contractor Claims against MoDOT

Arbitration

Contractor Claims Administrative Settlements

Contractor Claims Annual Report

Construction Claims Negotiations

Contract Administration

Assignment of Road and Bridge Construction Contracts

Construction Change Orders

Contractor Drug Testing Program

Contractor Training

Contract Termination

Disadvantaged Business Enterprise Program

Sales Tax Exemption Certificates

Standard Specifications

Contract Awards

Award of Construction Contract

Staff Recommendations on Bid Awards Confidential

Contract Bond

Bonding Companies

Contract Bond Requirements

Contractor Disqualification

Contractor Disqualification Requires Commission Action

Contractor Disqualification for Misconduct – Rules

Contractor Prequalification

Contractor Performance to Determine Responsibility – Rules

Contractor Prequalification – Projects Exceeding \$2 Million – Rules

Project Size and Phase	
Chief Engineer Authorized to Determine Project Length and Phase	
Design-Build Projects – Rules	
Technician Certification Program – Rules	
Consultant Engineering Services	
Consultant Engineering Services – Execution of Documents	
Assignment of Consulting Engineering Contracts	
Materials Standardization Services	
Highway Beautification	
Highway Beautification – General	
Junkyards	
Junkyards – Rules	
Junkyard Permits	
Outdoor Advertising – Billboards	
Outdoor Advertising - General	
Outdoor Advertising – Rules	
Outdoor Advertising Permits	
Rest Areas	
Commentary	
Rest Area Plan	
Rest Area Custodial Services	
Vending	
Food and Beverage Vending	
Newspaper Vending	
Newspaper Vending – Rules	
Roadside Management	
Adopt-A-Highway	
Adopt-A-Highway Program – General	
Adopt-A-Highway Program Agreements	
Adopt-A-Highway – Rules	
Vegetation Control	
Mowing	
Plant Collection from Right-of-Way – Rules	
Roadside Parks	
Commentary	
Roadside Parks – General	
Highway Safety	
Commentary	
Highway Safety – General	
Highway Safety - Execution of Documents	
Highway Safety Program Operations	
Breath Alcohol Ignition Interlock Devices – Rules	
Motorcycle Safety Education Program – Rules	
Driver Improvement Program – Rules	
Work Zones	
Commentary	

Work Zones – General	
Highway Systems	
State Highway System	
Change in Route Status	
Classifications	
Relinquishments	
Route Designations	
State Park Roads	
Commentary	
State Park Roads – General	
Official State Highway Map	
Commentary	
Official State Highway Map – General	
Historical Markers	
Commentary	
Historical Markers – General	
Limited Access	
Limited Access Roadways – Delegation of Authority	
Limited Access Roadways – Execution of Documents	
Location-Design	
Location and Design Approval	
Naming Highways	
Commentary	
Naming Highways – General	
Memorial Highways and Names Areas – Commentary	
Drunk Driver Risk Reduction Awareness Program – Rules	
Heroes Way Interchange Designation Program – Commentary	
Highways Named by Commission Action	
Operations	
No-cost Operations Agreements	
Driveway and Excavation Permits	
Incarcerated Personnel	
Probation – Court-Ordered Restitution	
Lighting Contracts	
Maintenance Agreements	
Highways through Cities and Towns – Commentary	
Maintenance Agreements – Execution of Documents	
Maintenance Agreements – Resurfacing City Streets	
Right of Way	
Acquisition	
Commentary	
Administrative Settlements	
Condemnation	
Detail Plans Approval	
Outsourcing Right of Way Acquisition	
Right of Way Acquisition – Execution of Documents	

Right of Way Plans Development and Approval	
Annexation – Execution of Documents	
Disposal of Excess Property	
Disposal of Excess Real Property, Excess Right of Way, and Uneconomic Remnants	
Disposing of Improvements – Execution of Documents	
Easements and Leases	
Acceptance of Conveyances	
Easements across Commission Property	
Lease of Excess Commission Property	
Lease of Property from Others	
Relocation	
Uniform Relocation Assistance Program – Rules	
Relocation Assistance – Execution of Documents	
Traffic Controls	
Automated Traffic Enforcement	
Parking Restrictions – Execution of Documents	
Pedestrian and Non-Motorized Vehicles	
Signals	
Signs	
Signs – Execution of Documents	
LOGO Signs – Rules and Execution of Documents	
TODS – Rules	
Traffic Generators – Rules	
Unauthorized Signs	
Speed limits	
Commentary	
Speed Limits	
Striping	
Commentary	
Striping – General	
Utilities - Rules	

## **LEGAL ISSUES..... 157**

Attorney Defense	
Representing Employees for Traffic Violations	
Representing Indigent Defendants	
Delegation of Authority – Approve and Execute Legal Documents and Retain Professional Services	

## **LEGISLATION..... 161**

Legislative Committee	
MHTC Legislative Process	

## **MOTOR CARRIER SERVICES ..... 163**

Commentary	
------------	--



Operations	
Execution of Documents	
Motor Carrier Permits	
Motor Carrier Services – Rules	
<b>MULTIMODAL OPERATIONS .....</b>	<b>165</b>
Railroads	
Rail-Highway Administrative Orders	
Rail Industry Operations	
Railroad Safety – Rules	
Transit	
Missouri Elderly and Handicapped Transportation Assistance Program – Rules	
Missouri State Transit Assistance Program – Rules	
<b>ORGANIZATION .....</b>	<b>169</b>
District Office Structure	
Commentary	
District Structure	
Organization – Rules	
<b>RESEARCH AND PLANNING .....</b>	<b>173</b>
Commentary	
Work Program	
Research Agreements	
Transportation Planning Agreements	
<b>STATE AND LOCAL GOVERNMENTAL ENTITIES .....</b>	<b>175</b>
General – State and Local Governmental Entities	
State Government Entities	
Local Governmental Entities	
Bridge Inspection Contracts – Local Agency	
County Road Mileage	
Federal Aid Program for Local Jurisdictions	
<b>STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) .....</b>	<b>177</b>
Long Range Transportation Plan	
STIP – Approval Process	
STIP – Commitment	
STIP – Funding Allocation	
STIP – Planning Framework	
Delegated Approval of Documents Required for STIP Preparation and/or Implementation	
Joint STIP Projects with State and Local Governmental Agencies	
Environmental Approvals	
Environmental Damage Mitigation	
STIP Implementation – Agreements under \$200,000	

This page intentionally left blank.



## Missouri Highways and Transportation Commission Policies

### COMMISSION

#### GUIDING PRINCIPLES

*In 1921, the General Assembly, in extra session, passed the Centennial Road Law, which, among other things, established a State Highway Commission and designated a State Highway System. The first meeting of the newly created Commission was on December 6, 1921. At that meeting, the Commission established two guiding principles: one related to Statewide Perspective and the other to the Commission acting in unison and statement that all employees and contractors must be qualified. A third guiding principle was enacted at the Commission's second meeting; it related to the public being treated courteously by Department employees. Those guiding principles are still applicable today.*

#### STATEWIDE PERSPECTIVE

*Note: This was the first action taken at the first meeting of the State Highway Commission on December 6, 1921.*

WHEREAS, the Missouri highways are of state concern,

THEREFORE BE IT RESOLVED, that notwithstanding each member of this Commission comes from a different section of the state, it is the declared intention of this Commission to view the road program as a whole, and each member hereby pledges to the people throughout the state to conduct the program broadly and, so nearly as possible, with a vision of the needs of the state as a whole.

Effective Date: December 6, 1921

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: December 6, 1921

Related Commission Minutes: December 6, 1921; Reaffirmed by specific Commission action on February 10, 1925; October 13, 1925; December 13, 1927; August 14, 1945; November 7, 2013 – Comprehensive Policy Review.

#### COMMISSION TO ACT IN UNISON, EMPLOYEES AND CONTRACTORS TO BE QUALIFIED

*Note: The second action taken at the first meeting of the State Highway Commission on December 6, 1921, was as follows:*

WHEREAS, it is desirable that the people of the state be given accurate information of the work of this Commission and that harmony prevail in its actual functioning;

BE IT RESOLVED, that it shall be and is the policy of this Commission to give opinions and express preferences of types, locations and methods of constructing roads only when approved by at least a majority of this Commission in session and that no person shall be promised

position or employment by this Commission or in said road work, except upon condition that he qualify to the satisfaction of the Commission.

Effective Date: December 6, 1921  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: December 6, 1921  
Related Commission Actions: December 6, 1921; Reaffirmed by specific Commission action on February 10, 1925; October 13, 1925; December 13, 1927; November 7, 2013 – Comprehensive Policy Review.

## **PUBLIC TO RECEIVE COURTEOUS TREATMENT**

*Note: This third guiding principle was enacted by the Commission at its second meeting held on January 11, 1922.*

It is the settled policy of this Commission that all persons, and the public generally, having business with this Department must be given prompt and due consideration and courteous treatment by all employees and persons connected with this Commission, including contractors doing business for, under or with this Commission, and the Commission welcomes and desires information or complaints from any person or persons not so treated, or from anyone observing any act of inattention or discourtesy on the part of anyone connected with this Department.

Effective Date: January 11, 1922  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: January 11, 1922  
Related Commission Minutes: January 11, 1922; Readopted August 14, 1945; November 7, 2013 – Comprehensive Policy Review.

## **TRANSPORTATION SYSTEM – MULTIMODAL PERSPECTIVE**

*As a result of a Constitutional Amendment approved by voters on November 6, 1979, effective January 1, 1980, the Commission's responsibilities expanded to include oversight of aviation, transit, railways, and waterways, in addition to retaining its responsibility for highways.*

A transportation system connecting all modes of transportation is essential for the mobility of all citizens and for providing opportunities for economic growth and prosperity. Therefore, it is the declared intention of this Commission to view the transportation system as a whole, incorporating all modes of transportation, and to cooperatively work with those having ownership responsibility for aviation, transit, railway, and waterway facilities, as well as interstate and local roads and streets, to ensure, as nearly as possible, a seamless inter-connected transportation system.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **TRANSPARENCY – OPEN MEETINGS AND RECORDS**

It is the intention and expectation of this Commission that the business of the Missouri Department of Transportation will be transparent. Its meetings, records, planning, projects, and practices will be open and available to the public as provided under the Missouri Open Records law (Chapter 610 RSMo 2000, as amended). The Secretary to the Commission will be responsible for maintenance of the Department's records (see Section 610.023, RSMo 2000, as amended). The Director is authorized to adopt and implement procedures for responding to requests for access to open records.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **POLICIES AND ADMINISTRATIVE RULES**

*As provided in Section 29 of the Missouri Constitution, the Highways and Transportation Commission is in charge of the Department of Transportation. The Commission has authority over the state highway system and other transportation programs and facilities as provided by law, including, but not limited to, aviation, railroads, mass transportation, ports, and waterborne commerce.*

### **MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION (MHTC) POLICIES**

#### **Maintenance of Policies**

The Secretary to the Commission is charged with the responsibility of maintaining current Commission policies and a history thereof.

#### **Consideration of Policy Changes**

Specific policies may be created, revised, reaffirmed, or rescinded at any regularly scheduled or special meeting of the Commission.

The Commission will approve the specific language of all policies. Staff recommendations for new policies, therefore, should include draft policy language. Recommendations for policy revisions should include a red-line version showing the change to the current policy. Recommendations for rescinding or reaffirming a policy should include a copy of the current policy for ready reference.

#### **Effective Date**

Unless otherwise directed by the Commission, the effective date of the policy will be the date of the Commission meeting wherein the specific policy was approved or revised. Reaffirmation of a policy will not change the policy's effective date.

## **Comprehensive Review**

To make certain that all policies have been previously considered by a majority of those on the current Commission, the Commission will comprehensively review its policies every two years. In order for newly appointed Commissioners (who are generally appointed in odd-numbered years) to be well-informed on the purpose and content of the policies, this review will take place in even numbered years. The review will include staff recommendations for reaffirming, revising, or rescinding each of the policies. The first comprehensive review of these policies will take place in 2016 and every two years thereafter.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **ADMINISTRATIVE RULES (Code of State Regulations)**

### **Specific Delegation of Authority**

*The Missouri General Assembly, from time to time, includes provisions within specific statutes charging the Commission with the responsibility to file administrative rules for the purpose of implementing the related statute. In some instances filing such rules is required; in others the statutes authorize the Commission to file rules, but they are not mandated.*

### **General Authority for Commission to Promulgate Rules**

*In addition, Section 227.030.2 RSMo empowers the Commission with the authority to make all final decisions and file all rules and regulations it may deem necessary in order to construct and maintain the highway system to the best interest and advantage of the people of the state.*

*The impetus for an administrative rule could include a change in federal law or rule, a change in state statute or rule, a directive of the Commission, a business need identified by the department, or a request from industry, customers, or business partners.*

*No such rules shall be inconsistent with the statutes. According to the Secretary of State's Office, all **rules and regulations have the same force and effect of law.***

### **Statutory Rule Process**

*Because of the potential impact on Missouri citizens of rules promulgated by state agencies, Missouri's process for promulgating rules is quite extensive.*

- *All rules proposed by state agencies must first receive concurrence of the legislative Joint Committee on Administrative Rules.*
- *Following that concurrence, the proposed rules must be published by the Secretary of State in the Missouri Register and the public allowed thirty days to provide comments thereon.*

- *Following the comment period, the proposed rules must be reconsidered by the respective state agency and, based on the public comments that are received, may be revised prior to submitting the **final order of rulemaking** for approval of the Joint Committee on Administrative Rules and ultimate publication by the Secretary of State in the Code of State Regulations.*
- *The effective date of each rule is determined by the Secretary of State and included with each rule and regulation.*

### **Staff Rule Development Process**

The Commission takes very seriously the potential effect of all administrative rules promulgated by federal and state agencies upon its citizenry, business interests, and other entities; therefore, the process for promulgating rules pertaining to the Department of Transportation shall include the following:

- Once a need to promulgate administrative rules is identified, MoDOT staff will review with the Commission the impetus, desired outcomes, and potential impacts.
- In order to be certain that potentially affected parties are aware of and understand the Commission's draft proposed rules AND to be certain that MoDOT staff is aware of and understand the potential impacts of those rules on the affected parties, the staff shall reach out to all known interested and affected parties and proactively work toward a mutual understanding prior to presenting draft proposed rules to the Commission for action thereon.
- A summary of statements or letters in support of, or opposition to, the promulgation of rules must accompany the staff recommendation.
- All proposed orders of rulemaking, final orders of rulemaking, and emergency rules shall be approved by the Commission prior to being filed with the Joint Committee on Administrative Rules and the Secretary of State.
- Subject to the provisions noted above, the Director is authorized to establish procedures for the department to follow when creating or modifying administrative rules.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **DELEGATION OF AUTHORITY TO DIRECTOR AND CHIEF ENGINEER**

*In addition to the policies below delegating broad authority to the Director and Chief Engineer, see subject-related policies for delegation of authority as it may relate to specific issues.*

### **DELEGATION OF AUTHORITY TO DIRECTOR**

#### **Authority to Implement Policies**

The Director is authorized to establish procedures and directives necessary to implement the Commission's policies. Notwithstanding delegation of authority to the Director, all issues deemed by the Director to be unique, sensitive, and/or potentially controversial will be submitted to the Commission.

#### **Personnel Policies**

The Director, or his/her designee, is authorized to establish policies and procedures pertaining to:

- Employment and separations.
- Employee conduct and performance.
- Grievances and complaints.
- Discipline.
- Salary administration.
- Working hours.
- Training and development.
- Leaves of absence.
- Safety and health.
- Relocation and travel.
- Employee recognition and awards.
- Like subjects pertaining to personnel.

In those areas where the Commission has adopted specific policy statements related to personnel issues, the Director's policies shall adhere thereto. Notwithstanding the provisions of this policy statement, all unique, sensitive and/or potentially controversial personnel policies will be submitted to the Commission.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### **DELEGATION OF AUTHORITY TO CHIEF ENGINEER**

#### **Engineering Issues**

In accordance with Section 226.040 RSMo 2000, as amended, the Chief Engineer shall be responsible for the preparation and approval of all engineering documents, plans, and specifications and shall have general oversight of construction and maintenance work for the department as determined by the Director. In complying therewith, the Chief Engineer shall



develop and keep current engineering standard plans, specifications and policies for the planning, design, construction, maintenance and operation of the state highway system that further the mission of the department and are aligned with the department's values and tangible results. Federal and state law and federal guidance shall be the foundation for said plans, specifications and policies. The Commission may delegate additional authority for certain related administrative actions such as execution of documents, procurement and administration.

### ***Engineering Policy Guide***

To facilitate public knowledge and understanding of engineering processes and requirements of the Department, the Chief Engineer shall be responsible for preparation and upkeep of an Engineering Policy Guide (EPG) as a single reference for all engineering and engineering-related guidance; however, in those cases where the Commission has adopted a specific policy, the provision of the EPG will be in conformance therewith. The EPG shall be made easily accessible to the public via the Internet and such other means deemed by the Chief Engineer to be beneficial to the public and MoDOT business partners.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## COMMISSION MEETINGS

### MEETING FREQUENCY AND LOCATION

*In keeping with Section 226.120 RSMo, the Commission shall meet at least once each month and at such other times, and at such places within the state, as the Commission shall determine. Four members of the Commission constitute a quorum for the transaction of business. The Chairman or, in the event of his inability to act, the Vice Chairman may call special meetings of the Commission upon notice to members.*

**Related Statutes:**     Section 226.120, RSMo - Quorum, Monthly Meetings Required  
                              Section 226.050, RSMo – Secretary, Duties and Powers  
                              Section 610.020.7, RSMo – Notice of meetings, Minutes of Meetings,  
                              Voting Records

### MEETING MINUTES

In compliance with Sections 226.050 and 610.020.7 RSMo 2000, the Secretary to the Highways and Transportation Commission will prepare and retain accurate minutes of Highways and Transportation Commission open and closed meetings. The meeting minutes, or excerpts therefrom, must be approved by the Commission prior to public distribution.

Effective Date:                November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin:                November 7, 2013

Related Commission Actions: June 13, 1944; January 8-9, 1951- Excerpts; December 10-11, 1951; March 9, 1953; September 7, 1979; November 7, 2013 – Comprehensive Policy Review.

### DELEGATIONS

#### Scheduled Presentations

In order to be responsive to members of the public, elected officials, and others requesting time on the Commission's agenda, requests from the public are investigated by MoDOT staff to ensure mutual understanding of the matter prior to the issue being placed on the agenda. In keeping with that sentiment, the following process is used to schedule public presentations before the Commission.

1. Requests for a public presentation at a Commission meeting are sent to, or channeled through, the Secretary to the Commission.
2. The Secretary forwards the request to the Director and/or staff for a "top-down" review. Many times this review includes communications with the district and with the person making the request to ensure that the issue is thoroughly understood.
3. In those cases where the MoDOT staff cannot accommodate the desires of the individual or delegation making the request, the Director and/or staff advises the Secretary to the Commission to place the item on the Commission's agenda.

4. Scheduled presentations will be limited to ten minutes plus an additional five minutes, if needed, for questions from the Commission. Variance from this time allotment will be at the sole discretion of the Chairman.
5. An individual or delegation may present an issue one time in a 12-month period.

**Exceptions to the above process:**

The Commission **will** schedule good-will presentations from chambers of commerce, cities, and counties, etc., from the area where the meeting is being held.

The Commission **will not** schedule presentations on the following issues:

1. **Right of Way Negotiations** - Matters pertaining to right-of-way negotiations because a statutory process is in place to resolve such issues.
2. **Employee Concerns** - Matters pertaining to issues specific to individual employees because a process is in place for investigation of employee grievances.
3. **Litigation** - Matters in active litigation because the Commission is represented by counsel.
4. **Highway locations** - Matters pertaining to the location of highway improvements must follow the review process set out above.
5. **Repeat Issues** – Once a presentation has been made by a delegation and a Commission decision rendered thereon, future requests must follow the review process set out above and will be considered only if information to be presented by the delegation was unknown to the Commission and could have affected its decision on the issue.

**Unscheduled Presentations**

Members of the public who have not scheduled presentations before the Commission may speak to the Commission on transportation-related issues by signing in at the registration desk by the time designated on the Commission meeting agenda. Comments will be limited to five minutes per person, ten minutes per topic. An individual or delegation may present an issue one time in a twelve-month period.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: January 10, 1922; January 11, 1922; April 12, 1927; August 13-14, 1945; March 11, 1946; November 7, 2013 – Comprehensive Policy Review.

**STAFF PRESENTATIONS**

Recognizing the broad scope of responsibilities of the Department of Transportation and the need for the Commission to be well-informed, the Director will schedule periodic presentations regarding Department operations, innovations, challenges, and other issues affecting Missouri's transportation system and its effect on Missouri citizens.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## COMMISSION MEMBERS

### RELATED INFORMATION FROM MISSOURI CONSTITUTION AND STATUTES

#### **Missouri Constitution Article IV, Section 29**

- *The Highways and Transportation Commission shall be in charge of the Department of Transportation. It shall have authority over the state highway system, all other transportation programs as provided by law, and it shall have authority to limit access to, from and across state highways and transportation facilities where the public interests and safety may require.*
- *Not more than one-half of the Highways and Transportation Commission members shall be of the same political party.*

#### **Missouri Revised Statutes, Section 226.030 and 226.120**

- *The Highways and Transportation Commission shall consist of six members who are appointed by the Governor, by and with the advice and consent of the Senate.*
- *A Commission member must be a taxpayer and resident of Missouri for at least five years prior to appointment.*
- *Commissioners serve terms of six years or until a successor is appointed and qualified.*
  - *If a vacancy occurs in any term of a Commissioner due to death, resignation, or removal, the successor shall be appointed for only the remainder of the unexpired term.*
- *Commissioners may receive compensation in the amount of \$25 per day for time spent in the performance of their official duties.*
- *Commissioners may receive reimbursement for necessary traveling and other expenses incurred while engaged in the discharge of their official duties.*
- *Section 226.030 - The Commission will elect the two most senior members from opposing political parties as chair and vice chair for one year. At the end of such year, the members serving as chair and vice chair shall have the option to rotate positions.*
- *Section 226.120 – The members of the Commission shall elect a member as a chairman and another vice chairman, each of whom shall hold such office for a term prescribed by the Commission.*

#### **Missouri Revised Statutes, Section 226.033**

*Commissioners shall not:*

- *Host or manage a political fund-raiser or solicit funds for any candidate who is seeking a statewide or nationally elected office.*
- *Serve on the board or chair any political action committee or political party committee.*

#### **Missouri Revised Statutes, Section 226.090**

- *Section 226.090 RSMo. 2000 prohibits actual conflicts of interest and provides, in part, that no MHTC member or MoDOT employee shall, directly or indirectly, have any pecuniary interest in, or act as agent for, the sale of road or bridge building material, equipment, tools, machinery or supplies, or in any contract for the construction or maintenance of state highways or bridges, or the financing thereof, or in any performance bond or workers' compensation or any other insurance furnished to MHTC, or insurance furnished to any person, firm or corporation contracting with MHTC.*

## REPORTING POTENTIAL CONFLICTS OF INTEREST

### TABLE OF CONTENTS

	<u>Page #</u>
(1) General provisions	2
(A) Responsibility of MHTC members	2
(B) Policy purpose	2
(C) Informal advisory opinions	2
(D) Governor's director of boards and commissions	2
(E) State Financial Interest Statements	2
(F) Conflicts committee membership	2
(G) Reminder notices	3
(H) Annual review	3
(2) Procedure for disclosure by all commission members of potential conflicts of interest (except attorney representation)	3
(A) Commission Member Disclosure Report	3
(B) Distribution of Commission Member Disclosure Report	3
(C) Division and district review	3
(D) Conflicts committee review and advice to director	3
(E) Discussion with member	3
(F) Notice to member	3
(G) Member's determination regarding participation in commission action	4
(3) Procedure for disclosure by attorney MHTC members regarding legal representation by their law firms	4
(A) Commission member disclosure	4
1. Representation by another attorney in the member's law firm	4
2. Representation by the member	4
(B) Chief Counsel's report	4
(C) Pecuniary gain	4
(4) Real property acquisition procedure	4
(A) Fee appraisal(s)	5
(B) Central office review and approval	5
(C) FHWA review and approval	5
(D) MHTC review and approval	5
(E) Offer of just compensation to MHTC member	5
(F) Condemnation	5
(G) Settlement	5
(H) Jury trial	6
(I) Rule 17	6

**EXHIBIT 1** -- Summary of applicable ethics statutes.

## REPORTING POTENTIAL CONFLICTS OF INTEREST

### (1) General provisions:

- (A) **Responsibility of MHTC members:** Conflict of interest may take many forms. The correct analysis of a potential conflict depends upon the facts disclosed. The applicable statutes are inconsistent and difficult to reasonably apply in some situations. Each commission member must be alert to any potential conflict of interest prohibited by statute. The responsibility for avoiding conflict of interest and complying with applicable statutes rests with individual commission members.
- (B) **Policy purpose:** The purpose of this voluntary policy is to assist commission members in complying with existing conflict of interest statutes, to avoid a potential conflict of interest, and, thus, avoid a potential violation of any statute and embarrassment for the affected individual, MoDOT and MHTC.
- (C) **Informal advisory opinions:** Upon request, the chief counsel will provide any commission member with an informal advisory opinion regarding any potential conflict of interest about which the commission member may have any question or concern.
- (D) **Governor's director of boards and commissions:** The commission secretary shall provide the governor's director of boards and commissions a copy of this policy six months prior to the scheduled expiration of any commission member's term of office, or immediately upon the inability of any commission member to complete his/her scheduled term of office for any reason. The purpose of this requirement is to assist the governor's staff in advising prospective commission members of: (1) the relevant conflict of interest statutes; (2) the application of some of the relevant statutes could cost prospective members money because MoDOT refrains from making purchases from any business in which a Commission member has a financial interest during the member's term of office (e.g., section 105.454(1) and (2) RSMo 2005 and/or section 226.090 RSMo 2000); and (3) MHTC's policy for commission members to disclose potential conflicts of interest.
- (E) **State Financial Interest Statements:** In addition to the required filing with the State Ethics Commission, commission members should file copies of their State Financial Interest Statements (also titled Personal Financial Disclosure Statement) required by Section 105.485 RSMo. 2000 with the commission secretary who will provide copies of such statements to the members of the conflicts committee and the chief counsel to aid the committee in assisting commission members in identifying potential conflicts of interest.
- (F) **Conflicts committee membership:** The standing conflicts committee of MoDOT will consist of the chief engineer, chief financial ~~and administrative~~ officer, commission secretary, and director of audits and investigations. The chief counsel, or his/her designated representative, shall serve as counsel to the committee.
- (G) **Reminder notices:** The commission secretary will provide an annual reminder notice to each commission member to update, if appropriate due to a changed

circumstance, his/her Commission Member Disclosure Report described under paragraph (2)(A) below.

- (H) **Annual review:** After each legislative session, the chief counsel will review the applicable statutes and, if appropriate, prepare a report for MHTC with recommendations regarding any proposed changes to this policy.
- (2) **Procedure for disclosure by all commission members of potential conflicts of interest (except attorney representation):**
- (A) **Commission Member Disclosure Report:** When a commission member is first appointed to MHTC and/or becomes aware that any of his/her activity and/or financial interest creates a potential conflict of interest, the member should file a written Commission Member Disclosure Report with the commission secretary that at a minimum includes: (1) the nature of the interest or activity; (2) the member's current employer(s), if any, and a list of all business entities, if any, in which the member is an officer and/or has any ownership or financial interest that may directly or indirectly do business with MHTC/MoDOT including the nature of the business or activity; (3) a list of all real estate located in Missouri in which the member individually or a business entity in which the member is an officer has any ownership, leasehold, or other possessory or financial interest including the nature of such interest and the location (street address) of such real estate. Also, see paragraph (1)(E) above regarding State Financial Interest Report.
  - (B) **Distribution of Commission Member Disclosure Report:** The commission secretary will distribute the Commission Member Disclosure Report to the director, the chief counsel, all members of the conflicts committee, all MoDOT division directors and all district engineers.
  - (C) **Division and district review:** The MoDOT division directors and the district engineers shall review the Commission Member's Disclosure Report and provide written comments to the commission secretary regarding: (1) the effect of any potential conflict of interest on his/her area of responsibility; and (2) any additional information known by the staff that may have been overlooked by the Commission member in preparing the report.
  - (D) **Conflicts committee review and advice to director:** After reviewing the Commission Member's Disclosure Report and the staff comments, the conflicts committee shall advise the director of potential conflicts and the recommended course of action to be taken by MoDOT and the Commission member.
  - (E) **Discussion with member:** With director concurrence of the course of action, the chief counsel will discuss the matter with the affected commission member.
  - (F) **Notice to member:** To assist the Commission members in identifying potential conflicts of interest, the director, commission secretary, chief counsel, and MoDOT division directors and district engineers will make every effort to alert the commission member if a disclosed item is related in any way to an agenda item before the commission for action. This alert will include projects located within one mile of any real property in which a Commission member individually or a business entity in which the member is an officer, has any ownership,

leasehold, or other possessory or financial interest.

- (G) **Member's determination regarding participation in commission action:** If a commission member determines an agenda item to be a potential conflict of interest, the member should refrain from any MHTC discussion and/or vote regarding matters such as, but not limited to, award of a procurement contract, request for approval of route alignment, authority to contract with a design consultant, approval of detailed design plans, approval of detailed right of way plans, award of a construction contract, and the like.

(3) **Procedure for disclosure by attorney MHTC members regarding legal representation by their law firms.**

(A) **Commission member disclosure:**

1. **Representation by another attorney in the member's law firm.** When a commission member who is an attorney becomes aware that another member of his or her law firm represents an interest that is or may be adverse to MHTC, MoDOT and/or a MoDOT employee acting in his/her official capacity, the commission member should disclose the representation in a letter to the chief counsel stating that he or she is not and will not become personally familiar with the facts or legal strategy of this representation by the member's law firm and will not personally participate in any future discussion by or decision of MHTC regarding the matter under representation.
2. **Representation by the member.** When a commission member who is an attorney becomes aware that he/she personally represents an interest that is, or may be, adverse to MHTC, MoDOT and/or a MoDOT employee acting in his/her official capacity, the commission member should disclose the representation in a letter to the chief counsel stating why the member believes the continued representation of the adverse or potentially adverse interest is permissible, or in the alternative, what action the member has taken or will take to withdraw from the representation.

- (B) **Chief Counsel's report:** The chief counsel will review the matter and advise the MHTC member of his or her opinion regarding the representation, and then place the matter on the MHTC meeting agenda as a disclosure report.

- (C) **Pecuniary gain:** The commission member should avoid participating in any pecuniary gain realized by his or her law firm from the representation to avoid any potential or appearance of conflict of interest.

(4) **Real property acquisition procedure:** When a member individually or a business entity in which the member is an officer has any ownership, leasehold or other possessory or financial interest in real property for which an offer of just compensation will be made so that it may be acquired by MHTC for a project, the following procedure should be used by the commission member and shall be followed by MoDOT staff and special conflicts counsel.

- (A) **Fee appraisal(s):** The district will have a preliminary estimate of damages in a



fee study. If in the fee study, the apparent compensation is estimated to be \$500 or more, the district's right of way unit will have one or more fee appraiser(s) determine just compensation for the property to be acquired and the damage, if any, to the property's remainder. If the apparent compensation in the fee study is less than \$500, the appraisal will be prepared by district staff appraiser(s) and approved by district chief appraiser or right of way manager who is a certified appraiser.

- (B) **Central office review and approval:** If the approved offer is \$500 or more, a central office right of way reviewing appraiser or field liaison officer who is also a certified appraiser will review the appraisal(s) and determine the approved offer of just compensation.
- (C) **FHWA review and approval:** MoDOT staff will secure review and approval of the appraisal(s) and the approved offer of just compensation from the Federal Highway Administration.
- (D) **MHTC review and approval:** When the approved offer exceeds \$500, Section 105.454 (2), (3) RSMo. requires public notice before the sale of real property. Therefore, the right of way director shall place the matter on MHTC's open session meeting agenda for the Commission to review and finally approve the offer of just compensation (with the affected member abstaining from discussion and voting) prior to the offer being made to the commission member. To provide adequate public notice, the agenda item shall be styled: "Purchase of Real Property Interest from Commissioner \_\_\_\_\_ ." However, if the approved offer does not exceed \$500, MHTC review and approval is unnecessary.
- (E) **Offer of just compensation to MHTC member:** The approved offer will then be made by the district's right of way department to the member, or the corporation or entity for which the member is an officer, or his/her/its authorized representative. However, the member/corporation/entity will be encouraged to refuse the offer and go through condemnation to avoid any appearance of impropriety if the offer is more than \$10,000. Provided further, however, if the offer is \$10,000 or less, the member/corporation/entity need not be encouraged to go through condemnation and may execute a deed for the real property in exchange for the approved offer.
- (F) **Condemnation:** If the MHTC member agrees to the condemnation, the parcel will be condemned at the first opportunity by special conflicts counsel approved by MHTC (with the affected member abstaining from discussion and voting).
- (G) **Settlement:** Once the condemnation commissioners appointed by the circuit court have set a value for the property, if that value is acceptable to all parties, a proposed settlement in the amount of the condemnation commissioners' award should be presented to the court for its review, approval, and entry of a judgment, but the court shall be requested by the special conflicts counsel to delay its action until after the member's term ends to avoid any appearance of impropriety.
- (H) **Jury trial:** Should either party not agree with the value established by the condemnation commissioners and file exceptions to the condemnation commissioners award, the special conflicts counsel should prepare the case for

trial, but shall request the circuit court to delay the jury trial until after the commission member's term expires to avoid any appearance of impropriety. The final price for the property will be that determined by jury verdict and the court's final judgment after appeal, if any.

- (I) **Rule 17:** Should the circuit court refuse under section (4)(G) or (4)(H) above to delay the action under Missouri Supreme Court Operating Rule 17, the special conflicts counsel shall consult with MHTC in closed meeting regarding the appropriate course of action (with the affected member being excluded from the meeting).

Effective Date: November 7, 2013

Supersedes Policy Dated: November 9, 2005

Last Reaffirmed:

Date of Origin: November 4, 1994

Related Commission Actions: November 4, 1994; December 1, 1995; April 3, 1997; March 12, 1999; May 5, 2000; November 8, 2000; September 4, 2003; November 9, 2005; November 7, 2013 – Comprehensive Policy Review.

## EXHIBIT 1

### SUMMARY OF APPLICABLE ETHICS STATUTES TABLE OF CONTENTS AND STATUTES CITED<sup>1</sup>

	<u>Page</u>
<b>(1) General financial interest statement statutes</b>	<b>2</b>
105.483 Financial interest statements-who shall file, exception	
105.485 Financial interest statements-form-contents-political subdivisions, compliance.	
105.487 Financial interest statements-filed, when, exception.	
105.489 Financial interest statements-to be kept with filing officer.	
105.491 Executive director of commission-duties.	
105.492 Penalties.	
105.963 Assessments of candidates, campaign disclosure reports-notice-penalty-assessments of financial interest statements-notice-penalties-effective date.	
<b>(2) General conflict of interest and lobbying statutes</b>	<b>3</b>
105.452 Prohibited acts by elected and appointed public officials and employees.	
105.454 Additional prohibited acts by certain elected and appointed public officials and employees, exceptions.	
105.466 Exceptions to applicability of sections 105.450 to 105.458, 105.462 to 105.468, and 105.472 to 105.482.	
Definitions.	
105.472 Violation of law-complaint-oath.	
105.473 Duties of lobbyist-report required, contents-exception-penalties.	
105.478 Penalty.	
<b>(3) Specific conflict of interest statutes applicable to MHTC members</b>	<b>4</b>
<b>(A) Motor carrier and railroad regulation</b>	
226.008 Responsibilities and authority of highways and transportation commission- transfer of authority to department of transportation.	
622.120 Administrative law judges and employees, oath, eligibility for office.	
622.130 Prohibition against solicitation and gifts-penalties for violation, misdemeanor.	
622.480 Penalty for violating state law or an order of division-violations are separate and distinct offenses-carrier's liability for acts of officers and agents.	
<b>(B) Political fundraising</b>	
226.033 Prohibitions on political fundraising for highway and transportation commissioners appointed after March 1, 2003.	
<b>(C) Highway construction, maintenance, funding and insurance</b>	
226.090 Commissioners and employees-oath-bond-selection and removal of employees to be without regard to political affiliation.	
<b>(4) Specific removal statutes applicable to MHTC members</b>	<b>5</b>
226.030 Number of members-qualifications-term-removal-compensation.	

<sup>1</sup> A copy of the actual statutes consists of 24 pages and is available upon request from the Chief Counsel.

Commission members should be familiar with the relevant and applicable ethics statutes:

- (1) **General financial interest statement statutes:** Sections 105.483 to 105.492 and 105.963 RSMo. 2005, as amended, are applicable to certain state officials and decision making public servants including MHTC members and MoDOT management require MHTC members to file annual financial interest statements with the Missouri Ethics Commission which are then public records.
- o Section 105.485 RSMo 2005 requires commission members in their annual statements to disclose specified information for the member, their spouse, and the member's dependent children, including, but not limited to:
    - o annual income of \$1,000 or more from an employer (§105.485.2(1));
    - o the identity of any business entity<sup>2</sup> in which the member has an ownership interest;
      - o except that for closely held corporations or limited partnerships, no disclosure is required if the member owns less than 10% of any outstanding stock or limited partnership units; and
      - o further except that for any publicly traded corporation or limited partnership which is listed on a regulated stock exchange or automated quotation system, no disclosure is required where the member owns less than 2% of any class of outstanding stock, limited partnership units or other equity interests unless the member receives \$1,000 or more income per year from such business entity which would then require disclosure (§105.485.2(2), (3));
    - o the name and address of each business entity in which the member owns stock, bonds, or other equity interest with a value in excess of \$10,000 except that such member does not need to report interests in publicly traded corporations or limited partnerships listed on a regulated stock exchange or automated quotation system nor interests in any qualified plan/annuity pursuant to the Employees' Retirement Income Security Act (§105.485.2(5));
    - o the location and property tax classification of any real property in Missouri owned (or leased for more than 10 years) other than the member's residence, having a fair market value of \$10,000 or more (§105.485.2(4));
    - o the identity of each corporation for which the member served in the capacity of a director, officer or receiver (§105.485.2(6));
    - o the name and address of each not-for-profit corporation, organization or union, whether incorporated or not, except for not-for-profit corporations formed to provide church services, fraternal organizations, or service clubs in which such person was an officer, director, employee or trustee but which the member draws no remuneration, as well as a general description of the nature and purpose of the organization (§105.485.2(7));
    - o the name and address of each source from which the member received a gift or gifts, or honoraria or honorarium in excess of \$200 in value per source during the year covered by the statement other than gifts from family members within the third degree of consanguinity or affinity and gifts construed to mean political contributions otherwise required to be reported, or gifts of hospitality such as food, beverages, or

---

<sup>2</sup> Business entity means any corporation, association, firm, partnership, proprietorship, or business entity of any kind or character (§105.450(2) RSMo).

admissions to social, art, or sporting events. For purposes of this section, a gift would include gifts to or by creditors of the member for the purpose of canceling, reducing or otherwise forgiving the indebtedness of the member to that creditor (§105.485.2(8));

- o the lodging and travel expenses provided by any third person for expenses incurred outside the state of Missouri whether by gift or in relation to the duties of the member's office with exceptions for travel for which the official may be reimbursed, paid by family members, and the like (§105.485.2(9));
  - o the assets in a revocable trust (§105.485.2(10)); and
  - o the name, position, and relationship of any relative within the first degree of consanguinity or affinity to the member who: (1) is employed by the state of Missouri, by a political subdivision of the state; (2) is a lobbyist; or (3) is a fee agent of the Department of Revenue (§105.485.2(11)).
- o Violation of these sections may result in a member's loss of compensation, suspension, removal from office, and/or a daily late filing fee (\$10/day) §105.492 and 105.963.

**(2) General conflict of interest and lobbying statutes:**

- o Section 105.452 RSMo 2000 and Section 105.454 RSMo. 2005 are general conflict of interest statutes applicable to all state officials and employees including MHTC members and MoDOT employees. These statutes prohibit actual conflicts of interest including, but not limited to:
  - o favorably acting or refraining from acting on any matter or using decision making authority to obtain financial gain (§105.452(1), (4) and (5) RSMo. 2000);
  - o disclosing and/or using confidential information obtained in his/her official capacity in any matter with the intent to result in financial gain (§105.452(2) and (3) RSMo. 2000);
  - o performing any service for an agency in which he/she is an officer or employee or has supervisory authority for payment in excess of \$500 per transaction or \$5000 per year without competitive bidding (§105.454(1), (3) RSMo. 2005); and
  - o selling or leasing any property<sup>3</sup> to an agency in which he/she is an officer or employee or has supervisory authority over for payment in excess of \$500 per transaction or \$5000 per year without competitive bidding (§105.454(2), (3) RSMo. 2005). However, this provision does not apply to property that is condemned by the agency from its officer or employee (§105.466.3 RSMo. 2005).
- Sections 105.470 RSMo 2000 defines an “executive lobbyist” as a person who attempts to influence the actions of the executive branch of government, including a commission like MHTC. The conduct of executive lobbyists is regulated and for things like food and beverages, fees that are waived or reduced, gifts, and transportation costs, expenditures made by an executive lobbyist in lobbying appointed officials, like MHTC members, must be reported to the Missouri Ethics

---

<sup>3</sup> Property includes both real property and personal property. Real property includes land or real estate including whatever is erected on, growing on, or affixed to the land. Personal property includes all property that is not real property, including corporeal personal property such as products, equipment, machinery, tools, autos, merchandise, animals, etc., and incorporeal personal property such as stocks, bonds, annuities, patents, copyrights, etc.

Commission and are available for public inspection.

For example, gifts of baseball tickets, meals and greens fees fall within the definition of “expenditure” and must be reported by the lobbyist; not the MHTC member, unless the ticket, meal, or green fee is necessary for the MHTC member to perform his/her duty as a MHTC member when participating in a ceremony, public presentation or official commission meeting.

- o A first violation of these sections is a Class B misdemeanor, but subsequent violations are Class D felonies. Section 105.478 RSMo. 2000.

**(3) Specific conflict of interest statutes applicable to MHTC members:**

- (A) **Motor carrier and railroad regulation**--Sections 622.120 and 622.130 RSMo. 2000, and Section 226.008.3 RSMo 2002, as amended, apply to MoDOT and its employees as a result of the 2002 One Stop merger and prohibit certain conflicting acts and financial interests.
- o Section 226.008.4 abolished the division of motor carrier and railroad safety within the department of economic development.
  - o Pursuant to Section 226.008.3, all the powers, duties and functions of the division of motor carrier and railroad safety under state law, including Chapter 622 RSMo, were transferred to MoDOT, which is governed by MHTC.
  - o In the opinion of the chief counsel, section 622.120 prohibits MHTC from appointing anyone to an office or MoDOT from employing anyone in a position involved in the regulation of motor carriers or railroads who holds any official relation to, owns stocks or bonds therein or has any pecuniary interest in any common carrier, railroad corporation, street railroad corporation, transportation of freight or property company, carrier, corporation or person subject to any of the provisions of chapters 387, 388, 389, 390, 391 or 622 RSMo.
  - o Section 622.130, in the opinion of the chief counsel, prohibits any person appointed by MHTC to an office or employed by MoDOT in a position involved in the regulation of motor carriers or railroads from recommending, directly or indirectly, to any common carrier or other person subject to regulation, any person for employment. Also, any regulated person or entity is forbidden from providing any MHTC appointee or MoDOT employee any transportation that is free or at a reduced rate, or any present, gift, entertainment, or gratuity of any kind.
  - o Any MHTC appointee or MoDOT employee who violates section 622.130 is subject to removal from office or employment and further is guilty of a misdemeanor, and upon conviction, shall be punished by a fine not exceeding \$1,000 or imprisonment not exceeding one year, or by both fine and imprisonment. Section 622.130.2 and .4 RSMo.
- (B) **Political fund raising**--Section 226.033, RSMo 2003 provides that any MHTC member appointed or reappointed after March 1, 2004 shall not: (1) host or manage a political fund-raiser or solicit funds for any candidate who is seeking a statewide or nationally elected office; or (2) serve on the board or chair any political action committee or political party committee.

(C) **Highway construction, maintenance, funding and insurance--**

- o Section 226.090 RSMo. 2000 prohibits actual conflicts of interest and provides, in part, that no MHTC member or MoDOT employee shall, directly or indirectly, have any pecuniary interest in, or act as agent for, the sale of road or bridge building material, equipment, tools, machinery or supplies, or in any contract for the construction or maintenance of state highways or bridges, or the financing thereof, or in any performance bond or workers' compensation or any other insurance furnished to MHTC, or insurance furnished to any person, firm or corporation contracting with MHTC.
- o 226.090 states that a violation of its provisions is an unspecified misdemeanor. Pursuant to section 557.021 RSMo. 2000, unspecified misdemeanors carry the penalty of a class A misdemeanor.

- (4) **Specific removal statute applicable only to MHTC members:** Section 226.030 RSMo. 2004, as amended, provides that any commission member may be removed by the governor if the governor is fully satisfied of the commission member's inefficiency, neglect of duty, or misconduct in office

This page intentionally left blank.



## ADMINISTRATIVE SETTLEMENTS

**For Administrative Settlements related to Contractor Claims, see “HIGHWAYS – Construction – Contractor Claims.”**

### **AUTHORITY TO APPROVE AND EXECUTE ADMINISTRATIVE SETTLEMENTS - EMPLOYEES:**

- a. **Equal Employment Opportunity and Civil Rights Conciliation or Settlements:**  
Prior to a complaint being filed in federal court, a petition being filed in state court, or a notice of public hearing being issued by the Missouri Commission on Human Rights, conciliation agreements and settlement agreements with the Missouri Commission on Human Rights and/or the Equal Employment Opportunity Commission, and/or employees regarding Equal Employment Opportunity and Civil Rights charges or complaints may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.
- b. **Employment Grievances:** Settlements as a result of employment grievances filed through MoDOT’s internal grievance process, except those where the employee requests a formal termination or whistle-blower hearing, may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph H3

Last Reaffirmed:

Date of Origin: June 5, 1987

Related Commission Actions: June 5, 1987-EEO and Civil Rights; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **AUTHORITY TO APPROVE AND EXECUTE ADMINISTRATIVE SETTLEMENTS - INSURANCE CLAIMS**

- a. **Insurance Claims (not the subject of a lawsuit) against Others - Receipts/Payments:** Claims against insurance companies or others, partial payment agreements, and receipts or releases for payments to the Commission in satisfaction of amounts owed to the Commission, which are not the subject of a lawsuit, may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, the Risk and Benefits Management Director, or an assistant to the Risk and Benefits Management Director.
- b. **Insurance Claims (not the subject of a lawsuit) against MoDOT and/or the Commission:** Settlement of claims against MoDOT and/or the Commission or an employee of the department or Commission, or a Commission member through its self-insurance programs for claims alleging the dangerous condition of Commission property or the negligent operation of a motor vehicle operated by a department or Commission employee or Commission member in which the amount to be paid by the Commission is equal to or less than the liability limits under the state sovereign

immunity statutes or \$1,000,000 per claimant/\$2,000,000 for all claims from an occurrence, whichever is less may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or others designated by written advisory from the Chief Financial Officer to the Risk and Benefits Management Director.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph H4  
Last Reaffirmed:  
Date of Origin: January 13, 1989-paragraph a; July 10, 2001-paragraph b

Related Commission Actions: January 13, 1989 (paragraph a) July 10, 2001 (paragraph b); January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **AUTHORITY TO APPROVE AND EXECUTE ADMINISTRATIVE SETTLEMENTS MOTOR CARRIER INDUSTRY**

Pre-suit settlement agreements with motor carriers pertaining to alleged violations of safety regulations or economic laws by such motor carriers may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, Motor Carrier Services Director, Assistant Motor Carrier Services Director, or the Motor Carrier Services Enforcement Manager.

Effective Date: April 3, 2012 – EOD, Paragraph H6  
Supersedes Policy Dated: January 12, 2011 – EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: July 9, 2004

Related Commission Actions: July 9, 2004-Motor Carriers; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **RAIL INDUSTRY SAFETY**

### **AUTHORITY TO APPROVE AND EXECUTE ADMINISTRATIVE SETTLEMENTS – RAIL INDUSTRY SAFETY**

Pre-suit settlement agreements with railroad carriers pertaining to alleged safety violations by the railroad industry may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or the Multimodal Operations Director.

Effective Date: April 3, 2012 – EOD, Paragraph H5  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: March 10, 2004

Related Commission Actions: March 10, 2004-Rail Industry; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

**For Administrative Settlements related to Right of Way, see ‘HIGHWAYS – Right of Way – Acquisition.’**

## AUDITS

*In keeping with Sections 21.795.2(1) and Section 226.140 RSMo, the Commission retained its first independent auditor on September 4, 1998. (Prior to that time, audits of the Department were conducted by the State Auditor's Office.) Also on September 4, 1998, the Commission established an Audit Committee comprised of Commissioners appointed by the Chairman to interact with the internal and external auditors and perform specific financially related assignments as set forth in the Audit Committee Charter below.*

**Related Statutes:**      Section 21.795.2(1), RSMo 2000 – Independent auditor to be retained.  
                                 Section 226.140, RSMo 2000 – Audit of records – State Auditor review

### AUDIT COMMITTEE

An Audit Committee comprised of Commission members appointed by the Chairman will interact with internal and external auditors and perform specific financially related assignments as the committee and Commission deem appropriate. The Audit Committee will report periodically to the Commission.

Effective Date:              September 4, 1998  
Supersedes Policy Dated:  
Last Reaffirmed:            November 7, 2013  
Date of Origin:              September 4, 1998

Related Commission Actions: September 4, 1998; November 7, 2013 – Comprehensive Policy Review.

### AUDIT COMMITTEE CHARTER

Pursuant to the unanimous decision of the Missouri Highways and Transportation Commission at its meeting of September 4, 1998, an Audit Committee was established and charged with interacting with internal and external auditors and performing specific financially related assignments as the Committee and Commission deem appropriate, and with providing periodic reports to the Commission. This Charter is hereby adopted to clarify the responsibilities of the Audit Committee and delegate to the Audit Committee the authority necessary to accomplish its mission.

1.     The Audit Committee is a standing committee composed of not less than two commissioners, appointed by the Chairman of the Missouri Highways and Transportation Commission, to serve for such terms as agreed to by the Chairman and the members of the Audit Committee. The Chairman of the Missouri Highways and Transportation Commission shall appoint the Audit Committee Chair. The Audit Committee shall meet at least annually or as often as deemed necessary by the Audit Committee. The number of Audit Committee members that must be present to hold a meeting is at the discretion of the Audit Committee Chairman.
2.     The Audit Committee shall be responsible for the following:
  - a.     Recommend to the Missouri Highways and Transportation Commission the appointment of the independent auditor.

- b. Meet with the independent auditor to review the results of the independent audit, including the auditor's recommendations for improvement and management's responses.
- c. Meet privately with the independent auditor, as deemed necessary by the Audit Committee or the independent auditor.
- d. Resolve any issues between management and the independent auditor.
- e. Meet with the Chief Financial Officer and/or Financial Services Director for a briefing and analysis of the department's system of internal controls, as deemed necessary by the Audit Committee or the Chief Financial Officer.
- f. Periodically meet with the Director of AI to review and accept the results of internal audits, including management's response.
- g. Meet privately with the Director of AI, as deemed necessary by the Audit Committee or the Director of AI.
- h. Meet with the State Auditor to discuss audit findings and management's response, as deemed necessary by the Audit Committee or the State Auditor.
- i. Report the results of the Audit Committee meetings to the Commission.

Effective Date: November 7, 2013

Supersedes Policy Dated: September 12, 2007

Last Reaffirmed:

Date of Origin: April 9, 1999

Related Commission Actions: April 9, 1999; June 2, 2004; August 9, 2006; September 12, 2007; November 7, 2013  
– Comprehensive Policy Review.

## **AUDITS AND INVESTIGATIONS DIVISION - AUDIT CHARTER**

### **Accountability and Authority**

It is the expectation of the Missouri Highways and Transportation Commission that all actions of the Commission and functions of the Missouri Department of Transportation will be conducted with the highest degree of integrity and transparency. Toward that end, the Director of Audits and Investigations, who reports to the Director of the Missouri Department of Transportation, may, as circumstances dictate, report directly to the Missouri Highways and Transportation Commission. At the sole discretion of the Director of Audits and Investigations, such reporting may be through the Commission's Audit Committee, specific member or members of the Commission, or all members of the Commission.

The Audits and Investigations Division (AI) will not be organizationally located within the staff or line management functions of the department.

AI has continuing access to all records, letters, notes, memoranda, and other data (except attorney-client privileged materials in Chief Counsel's Office files) produced by any office or individual that relates in any way to the operations of the Missouri Department of Transportation. Accordingly, the Missouri Highways and Transportation Commission and the Director of the Missouri Department of Transportation hereby direct all employees of the department to provide all requested information to AI, and indeed to volunteer information of which AI may be unaware.

## Scope of Work

The audit functions of AI shall include, but not be limited to, the following:

- a. AI shall conduct internal audits and reviews of the Missouri Department of Transportation's operations. The audits and reviews will provide the department and the Missouri Highways and Transportation Commission with objective appraisals concerning department programs and functions and make recommendations for necessary improvements.

Audits will be performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and may include financial audits, attestation engagements and performance audits, as defined therein.

Additional guidance for the performance of these functions will be AI's Audit Policy and Procedures Manual, as well as regulations issued by the Federal Highway Administration.

- b. AI shall conduct audits and reviews of actual cost contracts or grants awarded to third party entities, as deemed necessary to ensure the terms of the contract or grant have been met; the cost billed for providing the contract item or grant purpose was incurred and eligible; and to determine compliance with established MoDOT policies, plans, and procedures, as well as federal and state laws and regulations.

Primary guidance for the performance of these functions will be Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; regulations and procedures of the Missouri Department of Transportation and the Federal Highway Administration; the Federal Acquisition Regulations; and the Revised Statutes of Missouri.

- c. AI shall conduct audits and reviews of Missouri motor carriers, as deemed necessary to verify International Fuel Tax Agreement (IFTA) tax returns and International Registration Plan (IRP) applications.

Primary guidance for the performance of these functions will be the IFTA Audit Manual and the IRP Audit Manual

- d. In addition to these functions, AI shall perform special reviews as requested by the department Director, the Chief Engineer, the Chief Financial Officer, other department officials, or the Audit Committee of the Missouri Highways and Transportation Commission.

AI shall coordinate with other audit and review groups that are concerned with the operation of the department; or the operation of the various contractors, consultants, and subrecipients of the

department. AI audits and reviews shall be executed in such a manner as to minimize duplication of effort.

### **Independence**

AI is an integral part of the department's system of internal control. As such, AI's functions are so fundamentally important that they are designated as ongoing and continuing, and are to be free from all organizational, internal, and external impairments that might interfere with or otherwise influence, restrict, or modify the scope or character of audits or reviews, or the selection of audit or review procedures.

AI shall not become involved in the management of the department or in the implementation of corrective action taken as a result of audit or review recommendations. In all cases, AI will remain independent, to ensure impartial and unbiased opinions, conclusions, and judgments.

Effective Date: November 7, 2013

Supersedes Policy Dated: August 9, 2006

Last Reaffirmed:

Date of Origin: February 13, 1977

Related Commission Actions: February 13, 1997; April 9, 1999; June 2, 2004; August 9, 2006; November 7, 2013 – Comprehensive Policy Review.

# **EMERGENCY OPERATIONS**

**Related Statute:** Chapter 44, RSMo 2000, Civil Defense

## **EMERGENCY OPERATIONS**

The Director shall maintain an all hazards response plan that guides the actions of the department in the event of incidents or emergency situations, whether man-made or natural occurring events. The plan will ensure a coordinated approach to restoring traffic and essential services to normal operations as quickly and safely as possible. The department will work cooperatively with state agencies to respond to any event. In the event of a state or federal disaster (as determined by the Director), the Director or his designee may provide resources to state and local agencies when available. When state funds or resources are expended or utilized in an emergency event off the state highway system, the department shall seek reimbursement from the local public agency that was provided assistance.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Actions: October 14, 1963; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.



# **EMPLOYEES**

## **SPECIFIC POSITIONS – STATUTORY PROVISIONS**

*Missouri Statutes (Section 226) provide certain qualifications and duties of the following MoDOT positions and charge the Commission with the responsibility for compensation.*

Related Statutes:      Section 226.040, RSMo 2000, as amended. Director, Chief Engineer, assistants and other employees.  
Section 226.050, RSMo 2000, as amended. Secretary.  
Section 226.060, RSMo 2000, as amended. Chief Counsel  
Section 226.005, 105.950, and 226.080, RSMo 2000, as amended, Compensation

### ***Director***

*Section 226.040.1, RSMo 2000, as revised, states that the Commission shall appoint a chief executive officer with the title of Director of the Missouri Department of Transportation. The Director serves at the pleasure of the Commission. The statutes provide that the Director shall be a citizen and a resident of Missouri, shall have had executive management experience for at least five years, and may be a registered professional engineer. The Director's duties shall include appointment of a Chief Engineer, a Chief Financial Officer, and other Department heads, engineers and other employees as the Commission may designate and deem necessary. Under the direction of the Commission, the Director shall have general charge of, and be responsible for, the overall operations and performance of the Department.*

### ***Chief Engineer***

*Section 226.040.2, RSMo 2000, as revised, provides that the Chief Engineer shall be a registered professional engineer responsible for preparation and approval of all engineering documents, plans and specifications and shall have general oversight of construction and maintenance work for the Department as determined by the Director.*

### ***Secretary to the Commission***

*Section 226.050, RSMo 2000 states that the Highways and Transportation Commission shall appoint a Secretary who shall serve at its pleasure. The Secretary shall keep complete and accurate recordings of all proceedings of the Commission and shall be the custodian of all papers filed with the Commission and all orders of the Commission. Under the direction of the Commission, the Secretary shall have such authority and perform such duties as the Commission may require.*

### ***Chief Counsel***

*Section 226.060, RSMo 2000, as revised, states that the Director of the Missouri Department of Transportation, with the consent of the Highways and Transportation Commission, shall select and fix the salary of a Chief Counsel who shall possess the same qualifications as judges of the Supreme Court and who shall serve at the pleasure of the Director. The Chief Counsel shall:*

- *Appear for and represent the Commission in all actions and proceedings under Chapters 226 and 227, RSMo, and any other law administered by the Commission, or in any decision, order or proceeding of the Commission, or of the Director.*
- *Commence, prosecute or defend all actions or proceedings authorized or requested by the Commission or to which the Commission is a party.*
- *Advise the Commission or the Director, when requested, in all matters in connection with the organization, powers and duties of the Commission, or the powers and duties of the Director.*
- *With consent of the Director, appoint such assistant attorneys as the Director may deem necessary; their salaries shall be fixed by the Director.*
- *Render legal opinions and advise the Commission and Director on any matter required by the Commission or Director.*

*The Commission, or an individual Commissioner or Commissioners, may request legal opinions or advice from the Chief Counsel and the Chief Counsel or an assistant attorney designated by the Chief Counsel shall provide such opinion or advice directly to the Commission or individual Commissioner making the request.*

### **Engineers**

*Section 226.040.3 RSMo 2000 states that engineers of the Department responsible for supervising the activities of road and bridge design, construction, maintenance and materials inspection and analysis shall be registered professional engineers in Missouri.*

### **Compensation**

*According to Section 226.005, RSMo 2000, the Director shall receive an annual salary of not less than the salary ranges established pursuant to Section 105.950 for Directors of other specific State Departments and published yearly in an appendix to the Revised Statutes of Missouri. The salaries of the Chief Engineer, Chief Financial Officer, Chief Counsel, Assistant Chief Engineer, the Secretary to the Commission, and of the Division Heads, District Engineers, engineers, clerks and other employees of the Department shall be fixed by the Commission. Section 226.080, RSMo, restates that the salaries of department heads, engineers, clerks and other employees shall be fixed by the Commission, but requires that the compensation of clerical or other nontechnical employees of the Department shall not exceed that of those in similar employment in other departments of the State.*

### **Employment**

*In keeping with Section 29 of the Missouri Constitution and Section 226.090 RSMo, as revised, the selection and removal of all employees of the Commission and Department shall be without regard to political affiliation.*

*The original statute concerning employment of Department employees (Section 226.040 RSMo) required that it be done “with consent and approval of the Commission.” Therefore, all employee names were presented to the Commission for approval and listed in the Commission minutes reflecting that action. On September 13, 1996, the Commission, delegated its authority to the Chief Engineer to approve employee appointments, thereby eliminating the monthly Commission agenda item. During the 1998 legislative session, revisions to Section 226.040 included elimination of the requirement for “consent and approval of the Commission.”*

# COMPENSATION, INSURANCE, RETIREMENT, AND CREDIT UNIONS

## COMPENSATION PACKAGE

**Related Statutes:** Article IV, Section 30b)1(4) MO Constitution  
Section 226.005, RSMo – Authority of the Commission, compensation of employees.  
Section 226.080, RSMo – Salaries, how fixed.

The Commission will provide Department employees with a compensation package intended to fairly compensate the employees for their expertise and efforts.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## MEDICAL AND LIFE INSURANCE

**Related Statutes:** Section 103.079, RSMo 2000 - Health care programs sponsored by other state agencies may become part of consolidated plan, procedure.  
Section 104.270, RSMo 2000, as amended (2002) – Highways and Transportation Commission may provide medical and death benefits.  
Section 104.1072(3), RSMo 2000, as amended (2007) – Commission may provide medical benefits and life insurance.  
Section 104.110(10), RSMo 2000, as amended (2004) – Commission contribution to medical premiums for those receiving work-related disability benefits.  
Section 104.515(4). RSMo 2000, as amended (2002) —Special consultants, duties, compensation, benefits.

*The Commission considered contributing to a medical insurance plan as early as May 10, 1927, and the next year (March 13, 1928) the Commission authorized the employees to form groups or associations among themselves to secure insurance at group rates with no financial participation by the Commission. It would be 50 years later before the Commission participated financially in this benefit. On October 15, 1975, the Commission authorized a study of hospital and life insurance programs in an effort to develop a program offering optimum benefits at minimum cost. In 1977 legislation was enacted which authorized the Commission to subsidize the life and health insurance programs of each employee who was a member of the Department's retirement system. The Commission established a Board of Trustees on November 9, 1977, and provided guidelines for its use in administering the new Medical and Life self-insurance plan. The new plan became effective February 1, 1978. Legislation enacted in 1982 allowed state participation in the cost of medical insurance for retirees by deeming them special consultants. Subsequent Commission action and/or legislation extended the subsidy to dependents (August 3, 1990), surviving spouses and dependents of employees who lost their lives as a result of a traumatic*

*injury incurred on the job (September 8, 1993), work-related disability recipients (legislation—1995), long-term disability recipients (September 5, 1997), survivors of employees/retirees (September 7, 2001), and spouses of members who have Medicare as their primary coverage (September 7, 2001).*

*As allowed by Missouri statutes passed in 1985, the Commission elected to provide its employees with \$15,000 life insurance at no cost to the employee and to establish an optional life insurance program offering life insurance to the employee at the employee's expense. Effective January 1, 2001, the statutes allowed an increase in coverage from \$15,000 to one times the employee's annual base pay at no cost to the employee. The optional life insurance program allows an employee to purchase the following coverage: (1) up to six times the amount of the employee's annual salary (maximum of \$800,000); (2) from \$15,000 to \$100,000 for the employee's spouse (but not to exceed the employee's coverage amount); and (3) \$15,000 for the employee's dependents. Closed plan retirees may retain up to \$60,000 in optional life insurance coverage for the retiree and his/her spouse at the expense of the retiree. The Year 2000 plan retirees may, at their expense, continue the amount of insurance carried prior to retirement until age 62, when coverage is reduced to a maximum of \$60,000. Those who retired after September 28, 1985, other than those entitled to a deferred normal annuity (terminated vested members), receive a \$5,000 death benefit at no cost to the retiree.*

As allowed under Sections 104.270 and 104.1072, RSMo 2000, as amended, a Medical and Life Insurance Plan has been established for employees, retirees, and deferred annuitants of the MoDOT and Patrol Employees' Retirement System (MPERS) and their dependents. A Commission-appointed Board of Trustees administers the Medical and Life Insurance Plan in keeping with the Board guidelines approved by the Commission.

- The Commission currently subsidizes the cost for the employees, retirees, disability recipients, survivors of employees and retirees, and spouses and/or dependents of employees and retirees.
- The Commission approves the employer contribution to the Medical and Life Insurance Plan. The contributions are subject to the financial resources deemed by the Commission to be appropriate for this employee benefit and the Commission's financial situation. Effective January 1, 2015, and extending until such time as the Commission determines it to be prudent to increase or decrease its share of the total medical insurance plan premium, the following percentages of employer participation will apply:
  - **Active employees and Work Related Disability Recipients** - (all rate categories): 80 percent.
  - **Retirees who retire on or after January 1, 2015:** Two percent per full year of creditable service in the retirement system capped at 50 percent. The percentage will be applied to the premium applicable to the rate category in which the retiree is enrolled.
  - **Retirees who retired or will retire prior to January 1, 2015:** Employer percentage of total premium will be the same percentage in effect for calendar year 2014, as shown below.

<b>Non-Medicare</b>	
Subscriber Only	57%
Subscriber/Family	44%
Subscriber/Spouse	40%

Subscriber/Child	44%
Subscriber/2 Children	40%
Subscriber/Medicare Child	46%
Subscriber/Medicare Spouse	45%
<b>Medicare</b>	
Subscriber Only	57%
Subscriber/Non-Medicare Spouse	40%
Subscriber/Medicare Spouse	45%
Subscriber/Non Medicare Family	44%
Subscriber/Medicare Family	49%
Subscriber/Child	44%
Subscriber/Medicare Child	46%
Subscriber/2 Children	40%

- Each rate group (Active, Non-Medicare Retiree, Medicare Retiree) shall be self-sustaining.
- Permanent part-time employees (those whose work is anticipated to exceed 1040 hours annually) of the Department, Patrol, or MPERS who are members of MPERS may participate in the Plan.
- Any employee terminating employment with the Department, Patrol, or MPERS who is a vested member of MPERS and who is a participant in the Medical Insurance Plan immediately prior to termination may retain continuous medical insurance coverage in keeping with the provisions of the Plan by paying the entire cost thereof. Commission subsidies will not be provided. Employees terminating employment who are not participants in the Medical Insurance Plan at the time their employment ends or who after their employment ends allow their coverage to lapse will not be permitted to reacquire coverage through the Medical Insurance Plan. Former employees who regain employment are entitled to coverage in the Medical Insurance Plan.
- Benefit provisions are in keeping with the most current Medical and Life Insurance Plan document.
- An open enrollment period will be offered to employees every two years.
- Employee questions regarding the Medical Insurance Plan are to be directed to employees whose job specifications include advising employees regarding employee benefits.

Effective Date: February 11, 2014  
Supersedes Policy Dated: November 7, 2013  
Last Reaffirmed:  
Date of Origin: December 14, 1977

Related Commission Minutes: History, Policies, Plan Changes, and Contributions - May 10, 1927; March 13, 1928; October 15, 1975; June 8, 1977; July 13, 1977; October 12, 1977; November 9, 1977; December 14, 1977; January 11, 1978; August 11, 1978; January 12, 1979; February 2, 1979; July 6, 1979; October 3, 1980; April 3, 1981; September 11, 1981; January 8, 1982; May 6-7, 1982; July 9, 1982; October 1, 1982; July 15, 1983; October 7, 1983; February 17, 1984; June 1, 1984; February 8, 1985; April 4, 1985; September 6, 1985; October 3, 1986; October 7, 1988; December 9, 1988; August 3, 1990; September 6, 1990; October 5, 1990; September 8, 1993; December 3, 1993; June 1, 1994; July 7, 1995; March 4, 1996; July 3, 1996; September 5, 1997; October 2, 1998; September 3, 1999; September 16, 1999; September 1, 2000; September 7, 2001; August 8, 2002; October 4, 2002; August 8, 2003; August 14, 2004; August 12, 2005; September 9, 2005; December 2, 2005; August 9, 2006; August

8, 2007; August 6, 2008; August 5, 2009; August 4, 2010; September 14, 2011; April 3, 2012; May 2, 2012; August 8, 2012; September 12, 2012; November 7, 2013 – Comprehensive Policy Review; December 27, 2013; January 8, 2014; February 11, 2014, March 5, 2014.

## **GUIDELINES FOR THE BOARD OF TRUSTEES OF THE MISSOURI DEPARTMENT OF TRANSPORTATION AND MISSOURI STATE HIGHWAY PATROL MEDICAL AND LIFE INSURANCE PLAN**

### **Board of Trustees**

In order to provide for the general administration of a plan of medical and life insurance (the Plan) for persons eligible to participate in such plan under Sections 104.270 and 104.1072 RSMo, as amended, a Board of Trustees is established consisting of eight members: four employees and one retiree from the Department of Transportation and two employees and one retiree from the State Highway Patrol. The Director shall appoint the Department of Transportation employees and retiree, the Superintendent shall appoint the State Highway Patrol employees and retiree, all subject to approval of the Commission.

Trustees who are employee members shall serve terms of six years each and may be reappointed for successive terms. Trustees who are retiree members shall serve a term of three years and may be reappointed for one successive term, subject to Commission approval. Any member of the Board may be replaced at any time by the Commission at its discretion. Five members of the Board shall constitute a quorum for the conduct of business. The Commission shall designate a Chairman to preside over the meetings of the Board and the Board shall select from its members a Vice Chairman and Secretary-Treasurer. Minutes shall be kept of the Board meetings.

### **Board of Trustees – Responsibilities and Duties**

The Board shall be responsible for the general management of the Plan, and in order to carry out those duties in this regard, will have the specific duties and responsibilities outlined in the Summary Plan Description to include the following:

1. Recommend the total premiums necessary to adequately fund the Plan.
2. When necessary, provide direction to MoDOT staff regarding contributions by the state and by participants and keeping the funds invested to the greatest extent possible.
3. When necessary, provide direction to MoDOT staff regarding development and maintenance of a system of accounting for all funds.
4. Establish such reserves as are financially prudent or necessary to pay claims against the fund.
5. Offer a policy of life insurance for eligible members of the MoDOT and Patrol Employees Retirement System.

6. If deemed beneficial to Plan funding, obtain underwriting for excess coverage (stop loss) to assure that all claims can be paid and that the plan is fully insured.
7. Obtain administrative services for the Plan in accordance with the Operating Budget Policy.
8. Provide notice to the Commission of determination of coverage to be provided by the Plan. The Board may from time to time change the coverage, but the coverage may not be reduced without sixty days' notice to Plan participants, and if any increase in coverage requires an increase in contributions, sixty days' notice must also be provided.
9. In establishing total premiums, the Board will endeavor to establish premium levels so that each rate group is sufficiently funded according to the cost of the Plan for that group, but to retain the group aspects of the Plan. The premium shall be based upon actuarial principles and shall be sufficient to pay all claims against the Plan and establish the necessary reserve to pay accrued but unpaid claims at any time. The rate of contribution shall also include any amount necessary to pay for administering the Plan, the necessary actuarial services, and for the payment of the premium for excess coverage (stop loss).
10. Establish a procedure for applying any state contributions made for ~~to~~ salaried employees, retired members, dependent coverage, disability recipients, survivors of employees/retirees, and spouses of members, and establish a special medical insurance rate category for surviving spouses and dependents of employees who lost their lives as a result a work-related injury or illness. State contributions will not be used to defray the cost of coverage for those on leave without pay.
11. Monitor the cost to the Plan to assure that an adequate reserve for benefits is maintained, and timely detect in advance the necessity to adjust the required total premiums. The Board is not to recommend total premiums that will accumulate reserves in excess of those reasonably necessary to assure the payment of claims and should recommend reducing the total premiums when sound reserving levels permit.
12. Maintain a reserve amount which will be sufficiently liquid so that a transfer of funds from the reserve account to the claims account can be made as necessary to permit the prompt payment of claims.
13. When necessary, consult with MoDOT staff to select a depository for the funds and require security, such security to be the same as that required for the deposit of state funds.
14. The Board shall have such additional duties and responsibilities as are necessary to fully carry out the insurance program for participating members.

## **Reports**

The Board shall, through the Chairman of the Board, provide reports that represent the financial condition and plan trends to the Commission no less than semi-annually and at such other times as the Commission may request.

No less than annually, the Board shall make available to the participants information as to the financial condition of the fund. The information will, at a minimum, show the following:

- Total amount of state contributions for preceding year.
- Total participant contributions for preceding year.
- Claims paid from the fund.
- Premiums paid for excess coverage and cost of administering the Plan (if any).
- Claims paid under excess coverage (if any).
- Income from the investment of reserves.
- Net assets on hand at the end of the reporting period, to include the amount of the claims account and funds invested.

## **Compensation**

The members of the Board shall receive no compensation from any source for their services on the Board other than compensation as employees of the Department of Transportation and State Highway Patrol.

## **Actuarial Services**

The Board, in coordination with MoDOT staff shall, obtain the services of an actuary to assist in developing the funding required, the necessary reserves, and the coverage to be provided. The selection of an actuary will be made after obtaining proposals for such services.

## **Gifts to Insurance Fund**

The Board, with the approval of the Commission, may accept gifts to the insurance fund.

Effective Date: November 7, 2013

Supersedes Policy Dated: December 5, 2008

Last Reaffirmed:

Date of Origin: November 9, 1977

Related Commission Minutes: November 9, 1977; August 14, 1987; October 2, 1987; August 3, 1990; September 8, 1993; September 5, 1997; September 4, 1998; August 9, 2000; May 4, 2001; September 7, 2001; December 5, 2008; November 7, 2013 – Comprehensive Policy Review.

## **UNEMPLOYMENT INSURANCE**

**Related Statutes:** Chapter 288, RSMo 2000, Employment Security

*Legislation effective January 1, 1978, brought the State of Missouri into compliance with the Federal Unemployment Compensation Act of 1974, under which state and local government employees were provided with unemployment insurance coverage. The Department reimburses the Unemployment Compensation Trust Fund for benefits paid to persons previously employed by the Department. The Department may protest claims if the cause of separation is for misconduct, voluntary resignation, or some other reason initiated by the employee.*

(January 11, 1978)



## WORKERS' COMPENSATION

**Related Statutes:** Section 226.160 – 226.170, RSMo 2000 – Workers' compensation to include employees of Commission and Patrol – Self-insurance plan authorized.  
Chapter 287, RSMo 2000, Workers' Compensation law.

*Legislation enabling the Highway Department to bring itself within the terms of the Workmen's Compensation Act (Chapter 287, RSMo) was enacted in 1945 (Section 226.160 RSMo). This allowed the Commission to purchase insurance for workers compensation coverage for certain specified job types. The first policy became effective on December 19, 1945, and was the first of its kind issued in the State of Missouri covering employees of a state agency. Specified jobs continued to be added to the list of the jobs covered until passage of legislation that became effective on October 13, 1969, which provided coverage to **all** Department employees. This bill also contained an option for the Commission to be self-insured. The Commission established a self-insurance plan effective January 1, 1987, for workers compensation, fleet vehicle liability, and general liability, but outsourced administration of workers' compensation claims until January 1, 1995. At that time MoDOT began to administer workers compensation claims in-house.*

In keeping with Sections 226.160-226.170 RSMo 2000, the Commission will provide and the Department will administer a self-insured Workers Compensation Program. The program will provide coverage for (1) all employees of the Missouri Highways and Transportation Commission, (2) uniformed members of the State Highway Patrol, (3) non-uniformed members of the State Highway Patrol and (4) employees of the MoDOT and Patrol Employees' Retirement System.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 9, 1999

Last Reaffirmed:

Date of Origin: December 10, 1945

Related Commission Minutes: May 13-14, 1945; July 9, 1945; January 14, 1946; March 11, 1946; May 13, 1946; July 9, 1946; April 9-10, 1951; November 7-8, 1955; March 17, 1959; June 13, 1961; March 13, 1962; May 12, 1966; May 15-16, 1969; September 24, 1969; December 16, 1970; August 1, 1986; December 5, 1986; January 9, 1987; February 6, 1987; September 9, 1994; April 9, 1999; November 7, 2013 – Comprehensive Policy Review.

## RETIREMENT

**Related Statutes:** Chapter 104, RSMo 2000, as amended – Retirement System

*Through state legislative action, on July 1, 1952, all state employees became eligible for federal Social Security benefits.*

*The first discussions of the Commission regarding a retirement plan for employees of the Department took place at the March 8-9, 1943, meeting. After a number of attempts to secure legislation to establish a retirement system for employees of the State Highway Patrol and the State Highway Department, a retirement plan proposed by the Commission was approved by the*

*legislature and became effective on September 1, 1955 (Chapter 104 RSMo). (It would be another two years before a plan was put in place for other agencies of the state.)*

*The original Board of Trustees of the Highway Retirement System consisted of all members of the Commission, the head of the State Highway Department (then Chief Engineer) and the head of the State Highway Patrol (Superintendent). Several different legislative revisions (the first of which occurred in 1981; the last in 2008) resulted in changes in the Board's membership which now includes three members of the Commission, the Director of MoDOT, the Superintendent of the Patrol, a State Senator, a State Representative, an employee of the Department, an employee of the Patrol, a retired member from the Department and a retired member from the Patrol. The Board annually certifies to the Department of Transportation and the State Highway Patrol an actuarially determined estimate of the amount which will be necessary during the next appropriation period to pay retirement system liabilities (Section 104.070 RSMo). **All retirement benefit provisions must be enacted by the Legislature.** The Commission considers legislative proposals pertaining to retirement benefits and directs the staff to testify for or against the proposals.*

*(May 14, 1945; August 13, 1945; August 9, 1949; October 9-10, 1950; May 12-13, 1952; May 12, 1952; June 9, 1952; July 1, 1952; February 5-6, 1953; October 12, 1954; December 16-17, 1954; June 13-14, 1955; September 9-10, 1965; July 13, 1972; July 3, 1986; August 1, 1986; October 3, 1986; February 5, 1988; March 3, 1988; January 13, 1989; June 2, 1989; June 7, 1991; June 4, 1993; February 10, 1994; March 4, 1994; June 4, 1999; March 24, 2005)*

## **CREDIT UNIONS**

*The first reference to credit unions found in the Commission minutes was in September 22, 1967, wherein the Commission approved a staff recommendation to withhold money from employee checks for shares in the Highway Credit Unions. The duties of those first involved in handling credit union business were performed by employees who also performed other MoDOT functions, such as administration of the employee-sponsored insurance fund. Beginning in 1979, subsidies in terms of employee compensation, benefits, housing, telephone, etc., for the credit unions became a topic frequently cited by the State Auditor. In 1986 legislation was introduced (but did not pass) to prohibit state employees from performing regular duties for any credit union during regular working hours. MoDOT staff and the Commission consistently defended the credit union subsidies as an appropriate fringe benefit for employees, noting that those performing credit union functions were also involved in employee-sponsored insurance matters. On July 1, 1992, the Main Office Credit Union voluntarily separated from MoDOT. In October 1992, in response to yet another State Auditor citation, the Commission directed the staff to (1) appropriately account for any subsidy to credit unions as employee benefits in order that, from an accounting point of view, the subsidy would appear where it belonged, and (2) establish a task force to examine ways in which credit unions could be made self-supporting, including (but not limited to) an examination of the potential for consolidation of all the credit unions into one. In response, the ten district credit unions were required to reimburse the department for salaries and fringe benefits and to pay for equipment and supplies used to conduct credit union business. Housing continued to be provided because it also involved activity pertaining to health and life insurance plans. **On March 10, 2010, the Commission directed that all credit union activities be separated from MoDOT. This separation was completed on March 31, 2012.***

*Related Commission Minutes: September 22, 1967; August 14, 1974; November 2, 1979; February 7, 1986; May 2, 1986; June 6, 1986; October 9, 1992; March 5, 1993; February 4, 2010; March 10, 2010*

## **EMPLOYEES - GENERAL**

### **CONDUCT**

The employees of the Department of Transportation will serve the public and their co-workers courteously, professionally, responsibly, and with respect. The Director will put in place policies and procedures to assist the employees in meeting these expectations.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### **DIVERSITY AND INCLUSION**

The Commission values the positive outcomes that result from a wide range of backgrounds and perspectives and charges the Director with the responsibility to put in place such policies and processes as are necessary to ensure a diverse and inclusive workforce.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### **EMPLOYEE SAFETY**

The Commission believes every MoDOT employee should go home safely every day. Safety is a priority, and a safe work environment will be provided. The Director will establish and maintain a comprehensive safety program to insure the well-being of MoDOT employees.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### **HARASSMENT**

Zero tolerance will be granted for acts of harassment based on protected categories, such as gender, race, ethnicity, etc., and shall include, but not be limited to, sexual harassment.

Disciplinary action, up to and including termination, will be taken against employees participating in such harassment and/or supervisors who know of such acts and fail to take action to stop them.

Effective Date: November 7, 2013Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: March 6, 1996 – Sexual harassment

Related Commission Minutes: March 6, 1996 – Sexual harassment; November 7, 2013 – Comprehensive Policy Review.

## **GRIEVANCES AND COMPLAINTS**

The Director of Audits and Investigations (AI) will be charged with the responsibility of hearing employee complaints and grievances when discussions with supervisors prove unsatisfactory or when the complaint alleges an Equal Employment Opportunity (EEO) violation.

- Grievances not involving state or federal Equal Employment Opportunity laws will be investigated by the Director of AI with recommendations made to the Director for final determination with regular reports to the Commission on disposition of the grievances.
- Complaints involving state or federal Equal Employment Opportunity laws will be investigated by the Director of AI with reports and recommendations made to the Commission (as final arbiter) for final determination.

Formal termination hearings and actions involving whistleblower reporting will be handled by the hearing officer with written reports and recommendations made to the Commission for final determination.

*For the purpose of this section, “Grievance” involves disputes regarding differences of opinion between the department and its employees and disciplinary issues; “Complaint” pertains to an alleged unlawful act of discrimination.*

Effective Date: November 7, 2013

Supersedes Policy Dated: September 1, 2000

Last Reaffirmed:

Date of Origin: March 10, 1966

Related Commission Minutes: March 10, 1966; September 1, 2000; November 7, 2013 – Comprehensive Policy Review.

## **MILITARY SERVICE**

**Related Statutes: USERRA  
Section 105.270, RSMo.  
1 CSR 20-5.010**

The Missouri Highways and Transportation Commission continually recognizes and supports the country’s service members and their families in peace, in crises, and in war. The Director is charged with the responsibility of enforcing the Uniformed Services Employment and Re-Employment Rights Act (USERRA) and ensuring our managers and supervisors will have the tools they need to effectively manage those employees who serve in the Guard and Reserve. State and federal laws and regulations regarding military absence will be administered without discrimination.

Effective Date: November 7, 2013

Supersedes Policy Dated: Active Duty - September 11, 1950; Reserves – May 12-13, 1947

Last Reaffirmed:

Date of Origin: Active Duty- August 13, 1940; Reserves - July 9, 1940

Related Commission Minutes: July 9, 1940; August 13, 1940; March 19, 1942; September 8, 1942; September 12, 1944; August 13, 1945; May 12-13, 1947; September 11, 1950; November 7, 2013 – Comprehensive Policy Review.

## **POLITICAL AFFILIATION**

**Related Statute:** Missouri Constitution, Section 29  
Section 226.090, RSMo

In compliance with Section 29 of the Missouri State Constitution and Section 226.090, RSMo 2000, as revised, the selection and removal of all employees of the Commission and Department shall be without regard to political affiliation.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

This page left blank intentionally.

# ENTERPRISE RISK MANAGEMENT

## ENTERPRISE RISK MANAGEMENT

The Commission believes in an integrated approach to managing the various risks MoDOT faces in managing Missouri's extensive transportation system. Accordingly, the Commission has delegated to the Director the responsibility for ensuring an enterprise risk management system is adopted by the department and used to appropriately identify and mitigate risk. The Director will conduct an executive management review of the Enterprise Risk Management Program and will provide an annual report thereon to the Commission.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## LIABILITY INSURANCE (General Liability and Vehicle Fleet Liability)

**Related Statute:** Section 226.092, RSMo 2000 – Commission may provide automobile liability insurance, when – self-insured and partial self-insured plans, when.

*Prior to enabling legislation sought by the Commission and enacted during the 1971 legislative session, employees who operated state equipment were required, as a condition of employment, to carry liability and property damage insurance. The first policy for such coverage paid by the Commission commenced on April 1, 1972.*

*The Commission's self-insurance plan for fleet vehicle liability, general liability, and workers' compensation became effective January 1, 1987, with administrative services being outsourced for vehicle fleet liability and worker's compensation. General liability claims were administered in-house prior to establishing the self-insurance plan and continued after the self-insurance plan was put in place. In-house administration of fleet vehicle liability claims was authorized by the Commission on October 6, 1989; worker's compensation in-house administration was authorized by the Commission on September 9, 1994, and was implemented on January 1, 1995.*

The Commission recognizes that the nature of many of the jobs performed by Department employees are such that liability issues are likely to arise for the Commission, the Department, and employees thereof; therefore, under the authority of Section 226.092 RSMo 2000, the Commission will provide and the Department will administer, through self-insurance, commercial insurance, or a combination thereof, a fleet vehicle liability insurance program and a general liability insurance program to protect the Commission, the Department, and the employees thereof against liability. The cost of these programs will be borne by the Commission.

Effective Date: November 7, 2013

Supersedes Policy Dated: October 6, 1989

Last Reaffirmed:

Date of Origin: September 22, 1971

Related Commission Minutes: May 3, 1956; August 18, 1966; October 15-16, 1970; September 22, 1971; February 17-18, 1972; January 9, 1987; October 6, 1989; November 7, 2013 – Comprehensive Policy Review.

## SELF-INSURANCE PLAN GENERAL LIABILITY AND VEHICLE FLEET LIABILITY

The scope and coverage of the Commission’s plan for general liability and vehicle fleet liability cases is in keeping with its approved Self-Insurance Plan document titled, *Missouri Highways and Transportation Commission, Self-Insurance Plan for Injuries and Damages Caused by the Condition of Property and the Operation of Motor Vehicles*.

### MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION SELF-INSURANCE PLAN FOR INJURIES AND DAMAGES CAUSED BY THE CONDITION OF PROPERTY AND THE OPERATION OF MOTOR VEHICLES

#### TABLE OF CONTENTS

(1)	<b>DEFINITIONS</b>	<b>PAGE</b>
	(A) Self-Insurance Plan.....	1
	(B) Self-Insurance Fund.....	1
	(C) Employer .....	1
	(D) Commission.....	1
	(E) Department .....	1
	(F) Injury .....	1
	(G) Damages .....	1
	(H) Insured.....	1
	(I) Occurrence.....	1
	(J) Director.....	1
	(K) Employee.....	1
	(L) Gender .....	1
	(M) State Legal Expense Fund .....	1
	(N) Trustee.....	2
(2)	<b>EFFECTIVE DATE .....</b>	<b>2</b>
(3)	<b>COVERED PERSONS AND LIMITS OF LIABILITY</b>	
	(A) Covered Persons .....	2
	(B) Limit of Liability .....	2
(4)	<b>COVERAGE AGREEMENT</b>	
	(A) Limited Coverage .....	2
	(B) Duty to Defend .....	2
	(C) Own Legal Counsel .....	3
	(D) No Waiver .....	3
(5)	<b>EXCLUSIONS</b>	
	(A) Injury to Employee.....	3
	(B) Other Coverage.....	3
	(C) Punitive Damages.....	3
(6)	<b>LEGAL SERVICES</b>	
	(A) Chief Counsel .....	3
	(B) Outside Counsel .....	3
	(C) Employer Rights.....	3



(7)	<b>CLAIMS ADJUSTMENT</b>	
	(A) Defense of Claims .....	4
	(B) Procedures .....	4
	(C) Consent .....	4
(8)	<b>PAYMENT OF CLAIMS AND SUITS</b>	
	(A) Authority .....	4
	(B) Order of Payment .....	4
(9)	<b>SIP FUNDING</b>	
	(A) Actuary .....	4
	(B) Funding .....	4
	(C) Time Lag .....	4
	(D) Claim Experience .....	5
(10)	<b>SELF-INSURANCE FUND</b>	
	(A) Dedicated Fund .....	5
	(B) Trustee .....	5
(11)	<b>MISCELLANEOUS PROVISIONS</b>	
	(A) Duties of Insured .....	5
	(B) Action Against the SIP .....	6
	(C) Subrogation .....	6
	(D) Changes in the SIP .....	6
	(E) Assignment .....	6
	(F) Cancellation .....	6
	(G) SIP Interpretation .....	6
	(H) SIP Constitutionality .....	7
	(I) Governing Law .....	7
	(J) Captions .....	7

(1) **DEFINITIONS**

- (A) Self-Insurance Plan (**SIP**) shall mean the Missouri Highways and Transportation Commission (**Commission**) Self Insurance Plan for Injuries and Damages Caused by the Condition of Property and the Operation of Motor Vehicles.
- (B) Self-Insurance Fund shall mean the moneys set aside in trust and dedicated to the SIP to pay all accrued and anticipated claims and certain costs of administering the SIP which amount of contribution to the plan is determined annually and included in the budget request for contribution to the Commission's self-insurance plan.
- (C) Employer shall mean the Commission and the Department.
- (D) Commission shall mean the Missouri Highways and Transportation Commission.
- (E) Department shall mean the Missouri Department of Transportation (MoDOT), a constitutionally independent agency of the Executive Branch of the State of Missouri, including all its divisions, districts, offices, departments and parts.
- (F) Injury shall mean physical damage to or destruction of tangible property, bodily or mental injury, sickness or disease, including death, to which the SIP applies and resulted from an "occurrence" while the SIP was in effect. The term "injury" shall not be deemed to mean intentional torts.
- (G) Damages shall mean any monetary consideration due a claimant or the amount of a final judgment entered in favor of plaintiff(s) and against an Insured by a court of competent jurisdiction.
- (H) Insured shall mean any person or organization designated in the Covered Persons provision (Section (3)(A)) of the SIP.
- (I) Occurrence is any Injury, as this term is defined herein, that is the result of negligent acts or omissions under the instances described at sections 537.600.1(1) and (2) RSMo.
- (J) Director shall mean the Director of Risk and Benefits Management, or the successor position thereto by whatever name it is titled.
- (K) Employee shall mean a person employed by the Commission or Department as defined by Missouri law.
- (L) Gender -- Persons described or referred to in the masculine gender include females and persons described or referred to in the feminine gender include males.

- (M) State Legal Expense Fund (**SLEF**) shall mean the moneys appropriated by the general assembly and moneys otherwise credited to such fund pursuant to section 105.716 RSMo for the payment of any claim or amount required by any final judgment rendered by a court of competent jurisdiction against the state of Missouri, or any agency of the state, pursuant to sections 536.050, 536.087 or 537.600, RSMo.
- (N) Trustee shall mean the Employer or a bank or other financial institution selected by the Chief Financial Officer for the Department, as authorized by the Commission.
- (2) **EFFECTIVE DATE:** Effective September 11, 2013, the Missouri Highways and Transportation Commission pursuant to Section 226.060, RSMo 1986, and the approved minutes of the Missouri Highways and Transportation Commission Meetings held on December 5, 1986, hereby adopts the Self-Insurance Plan for Injuries and Damages Caused by the Condition of Property and the Operation of Vehicles for all existing and future claims.
- (3) **COVERED PERSONS AND LIMITS OF LIABILITY:**
- (A) **Covered Persons:** Each of the following is an Insured under the SIP to the extent set forth below:
1. The Employer and any of Employer's officers and administrative personnel;
  2. Individual members of the Commission; and
  3. All employees of the Commission and Department as defined by Missouri law while they are acting in the course and scope of their official duties.
- (B) **Limit of Liability:** The Limit of Liability for any Occurrence is the amount provided for by section 537.610 RSMo. This amount is the maximum coverage available under the SIP without regard to the number of Insureds who are alleged to be liable or found liable for an Injury.
- (4) **COVERAGE AGREEMENT:**
- (A) **Limited Coverage:** Coverage is provided to an Insured for an Occurrence that results in Injury as this term is defined by the SIP in an amount up to the Limit of Liability (see (3)(B) above).
- (B) **Duty to Defend:** The Employer shall have the right and duty to defend any suit seeking such damages against the Insured, even if any or all of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and such settlement of any claim or suit as it deems expedient, but the Employer shall

not be obligated to pay any claims or judgment nor to defend any suit after the applicable Limit of Liability (see 3(B) above) has been exhausted by payment of judgments or settlements. In the event that a claim or suit is being defended at the time the applicable Limit of Liability (see 3(B) above) becomes exhausted, such defense may continue at the sole discretion of the Employer. Any continuation of defense shall not constitute a waiver, expansion, nor undertaking of liability in excess of the statutory limits of liability provided for by section 537.610 RSMo.

- (C) **Own Legal Counsel:** In the event that any Insured elects to employ his own legal counsel (see Section (6) below) and declines legal counsel provided by Employer, there is no obligation under the SIP to pay any sum such Insured may become legally obligated to pay, unless payment of settlement or judgment is approved by the Director of Risk and Benefits Management and the Chief Counsel to the Commission (see Section (7) below).
- (D) **No Waiver:** Nothing in the SIP shall be construed as a waiver of any governmental or official immunity of any Insured, or to expand the liability of the Commission or any Insured as provided under sections 537.600 and 537.610 RSMo. Pursuant to the Missouri Supreme Court's holding in *Cotter v. Schmitter*, potentially unlimited liability exists for employees under the State Legal Expense Fund (SLEF), notwithstanding section 105.726 RSMo. The SIP shall provide coverage for claims against MHTC/MoDOT and employees only up to the applicable limits of section 537.610 (see Section 3(B) above). Any settlement or judgment will be paid by specific Commission authorization pursuant to the terms of the SLEF and Missouri statutes. The fact that the Commission may authorize such payments does not constitute an acknowledgement that the *Cotter* decision was correct. Any such payment authorized by the Commission shall not be construed as a waiver of any governmental or official immunity of the Employer, the Commission, the Department, any of their officers or employees, or any Insured under the SIP.

(5) **EXCLUSIONS** - The SIP does not apply to:

- (A) **Injury to Employee:** Any Injury to any employee of the Employer arising out of and in the course of his employment by the Employer; or
- (B) **Other Coverage:** Any damages or amounts for which the Employer or any carrier as his insurer may be held liable under any workmen's compensation law, unemployment compensation law or disability benefits law, or under any similar law; or
- (C) **Punitive Damages:** Any claim for punitive or exemplary damages, or any other statutory damages awarded to punish and deter wrongdoers rather than to compensate a claimant or plaintiff for an Injury.

(6) **LEGAL SERVICES:**

- (A) **Chief Counsel:** The furnishing of all legal services, including legal defense, shall be the responsibility of the Employer through its Chief Counsel. Required legal services may be provided by the Chief Counsel and his staff, or if outside legal counsel and services are needed, such may be engaged by the Chief Counsel.
- (B) **Outside Counsel:** Any covered person may request the employment of outside counsel, including recommending the desired counsel or law firm. Such request must be made in writing to the Chief Counsel for consideration.
- (C) **Employer Rights:** In the event a covered person desires, in addition to the legal services provided above through the Chief Counsel, to employ legal counsel of his choice, such employment of legal counsel shall be at the covered person's expense. In the event that the covered person elects to employ his own legal counsel to assist the Chief Counsel or counsel hired by the Chief Counsel, the right to make all decisions in regard to the defense of the claim or suit shall remain the right and the duty of the Employer and its Chief Counsel.

(7) **CLAIMS ADJUSTMENT:**

- (A) **Defense of Claims:** All claims adjustment activities shall be deemed to be carried out for the sole and only purpose of assisting the Chief Counsel in defending potential legal action, causes of action or litigation against the Employer or any covered person, and shall be closed meetings, records and votes.
- (B) **Procedures:** Procedures for claims adjustment, including claim payments, denials and settlements shall be as determined by the Division of Risk and Benefits Management in consultation with the Chief Counsel.
- (C) **Consent:** Written consent or approval in claim settlement will not be required from an employee. Input from any employee should be made to the Division of Risk and Benefits Management or the Chief Counsel.

(8) **PAYMENT OF CLAIMS AND SUITS:**

- (A) **Authority:** Subject to the provisions of Sections (7) and (9), the payment of the claims and suit judgments from the Self-Insurance Plan Fund will be on certification pursuant to Commission authority.
- (B) **Order of Payment:** Payments from the Self-Insurance Plan Fund will be made in the order that claims or suit final judgments become payable, without regard to claim reserves previously established, date of incident, date of claim demand or date suit was filed.

(9) **SIP FUNDING** - The Commission directs the Department to fund the SIP under the following guidelines:

- (A) **Actuary:** The funding of the SIP shall be determined by the Commission as recommended by the Department based on actuarial projections of an independent actuary employed by the Employer.
- (B) **Funding:** The level of amount of funding shall be sufficient to support or pay for projected costs of claims and SIP expenses and private counsel legal defense as determined through actuarial review and Division of Risk and Benefits Management in consultation with the Division of Financial Services.
- (C) **Time Lag:** The amount of contribution to the fund will consider the lag between the time a claim arises and when payment is to be made.
- (D) **Claim Experience:** To the extent that it can be actuarially projected, the level of funding shall be based on previous claim experience as modified and trended to account for anticipated current year incidents and cost, including shock-losses (infrequently occurring catastrophic losses) as actuarially determined.

(10) **SELF-INSURANCE FUND:**

- (A) **Dedicated Fund:** The Self-Insurance Fund and all additions thereto shall be set aside and dedicated and so shall remain as long as any claim or expense payable under the SIP or any changes adopted thereto prior to its termination, may be outstanding and may become payable. Such Self-Insurance Plan Fund shall be used solely for the purpose of payment of such claims and expenses and not be subject to diversion for any other purpose by the Commission or the Department so long as said Self-Insurance Plan Fund shall exist. It is the intent of the Commission that upon termination of the SIP, all funds in the Self-Insurance Plan Fund not needed as specified above shall be returned to the State Road Fund.
- (B) **Trustee:** The Self-Insurance Fund shall be held by the Employer as Trustee or a bank or other financial institution as Trustee. Selection of the Trustee shall be by the Chief Financial Officer for the Department, as authorized by the Commission.

(11) **MISCELLANEOUS PROVISIONS:**

- (A) **Insured's Duties in the Event of Occurrence, Claim or Suit are as follows:**
  - 1. **Notice to Director:** Upon the Insured becoming aware of an incident in which the covered person is involved resulting in any alleged injury to which the SIP applies, written notice containing particulars sufficient to identify the injured person, plaintiff, and/or claimant and the Insured, as well as reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any known

witnesses, shall be given by or for the Insured to the Director as soon as practical.

2. **Forwarding Demands:** If claim is made or suit is brought against an Insured, the Insured shall forward to the Director every demand, notice, summons or other process received by him or his representative as soon as possible.
3. **Employee Cooperation:** The Insured shall cooperate with the Employer to defend any suit brought against the insured and, upon the Employer's request, assist in enforcing any right of contribution or indemnity against any third party. The insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation, or incur any expense.
4. **Waiver of Coverage:** Failure of the Insured to cooperate with the Employer shall constitute a waiver of the coverage provisions provided by the plan.

(B) **Action Against the SIP:**

1. **Compliance with SIP:** No action shall be maintained by an Insured against the Employer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of the SIP, and not until the amount of the SIP's obligation to pay shall have been finally determined either by final judgment against the covered person or by written agreement of the Employer and the Claimant and/or Plaintiff.
2. **No Waiver:** No person or organization shall have any right under the SIP to join the Employer as a party to any action against the Insured to determining the Insured's liability, nor shall the Employer be impeded by the Insured or his legal representative. Nothing in the SIP shall be interpreted or otherwise construed as a waiver of any governmental or official immunity of the Employer, the Commission, the Department, or any of its officers or employees in the course of their official duties, or any other Insured.

- (C) **Subrogation:** In the event of any payment under the SIP, the Employer shall be subrogated to all the Insured's rights or recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice or otherwise lessen, reduce, or waive such rights of subrogation.

- (D) **Changes in the SIP:** All changes in the SIP subsequent to the first approval of the SIP by Commission shall be prepared by the Director of Risk and Benefits Management and forwarded to the Chief Financial Officer for review and approval. After approval as to legal form by the Chief Counsel, the Director of Risk and Benefits Management will submit the changes to Commission. Changes shall become effective on the date fixed by the Commission.
- (E) **Assignment:** The interest hereunder of any Insured is not assignable. If the Insured shall die or be adjudged incompetent or cease for any other reason to be an Insured under the SIP, this coverage shall thereupon terminate. At the discretion of the Director, the SIP may cover the Insured's legal representative with respect to an Occurrence to which this SIP applies when the Director has been given notice of such Occurrence.
- (F) **Cancellation:** The SIP may be canceled by the Employer effective July 1 of any year, with notice of such cancellation being given to all covered persons at least ninety (90) days prior to the effective date of such cancellation.
- (G) **SIP Interpretation:** The SIP document sets forth the provisions of the Missouri Highways and Transportation Commission Self-Insurance Plan for Injuries Caused by the Condition of Property and Vehicle Liability. The SIP shall be read in its entirety and not severed except as provided below.
- (H) **SIP Constitutionality:** In the event that any part of the SIP is held to be unconstitutional or otherwise declared illegal, the other parts of the SIP will remain in full force and effect.
- (I) **Governing Law:** To the extent not preempted by federal law, the provisions of the SIP shall be construed, enforced and administered according to the laws of the state of Missouri.
- (J) **Captions:** The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the SIP, nor in any way will affect the SIP or the construction of any provision thereof.

Effective Date: September 11, 2013  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: September 11, 2013  
Related Commission Minutes: September 11, 2013; November 7, 2013 – Comprehensive Policy Review.



## **EQUIPMENT and PROCUREMENT**

### **AIRPLANES**

*The Commission purchased its first aircraft in 1958 to be used for aerial photography, highway location reconnaissance and limited transportation. Currently, the Highways and Transportation Commission and Conservation Commission hold joint ownership of a King Air 200, which is housed at the Department of Conservation hangar in Jefferson City. The Department also owns a Cessna, which is assigned to Multimodal Operations for its use in airport inspections.*

(June 10, 1958; January 7, 2000)

### **AIRPLANE**

#### **State-Owned**

The Commission finds the use of state-owned aircraft to be an appropriate means for travel for MoDOT business. Use of the state-owned equipment is restricted to Commission members and MoDOT employees for official business. The Director will put in place policies and procedures governing the use of state-owned and Department-owned airplanes by Department employees.

#### **Department-Owned**

Use of MHTC owned aircraft by officers of other state departments is conditional upon immediate repayment to the State Road Fund. The Director is authorized to establish the criteria upon which such costs will be determined.

Effective Date: November 7, 2013

Supersedes Policy Dated: March 7, 2003 (State-Owned) September 9, 1965 (Department-Owned)

Last Reaffirmed:

Date of Origin: March 7, 2003 (State-Owned) September 9, 1965 (Department-Owned)

Related Commission Minutes: State-Owned: June 10, 1958; September 9, 1965; January 7, 2000; March 7, 2003; November 7, 2013 – Comprehensive Policy Review.

Related Commission Minutes: Department-Owned - September 9, 1965.

Related Commission Minutes – Combined Policy- November 7, 2013.

### **PURCHASE, SALE, AND DISPOSAL OF DEPARTMENT EQUIPMENT**

The Director or his designee will be responsible for purchasing, selling, or otherwise disposing of equipment used by the Department in the construction and maintenance of transportation projects, carrying out transportation programs, or use in administration of the Department.

- **Titles – Equipment:** Titles conveying surplus equipment and vehicles or titles conveying damaged motor vehicles necessary to effect settlement of a Commission's claim may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, General Services Director, Central Office General Services Managers, District Engineer, District General Services Manager, or others designated by the District Engineer through written advisory to the General Services Director.

Related Commission Actions: August 15, 1973-Motor Vehicles; January 12, 2011-EOD; April 3, 2012-EOD

- **Titles—Lien Releases:** Lien releases on titles of vehicles purchased for transportation agencies with Federal Transit Administration funds may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or the Multimodal Operations Director.

Related Commission Actions: February 3, 1995; January 12, 2011-EOD; April 3, 2012-EOD

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph E5

Last Reaffirmed:

Date of Origin: August 15, 1973 – Motor Vehicle Titles;

February 3, 1995 – Vehicles for Transportation Agencies

Related Commission Minutes: September 19, 1922; June 16, 1925; April 11, 1933; June 1, 1939; May 11, 1942; June 8, 1972; August 15, 1973; August 4, 1989; October 9, 1992; December 4, 1992; March 5, 1993; November 7, 2013 – Comprehensive Policy Review.

## **PROCUREMENT OF PROFESSIONAL SERVICES CONSULTANTS (Other than STIP Related)**

The Director is authorized to develop and implement policies and processes regarding the procurement and contract administration of professional services and approve contracts therefor. A monthly report regarding professional services contracts shall be provided to the Commission.

- **Professional Services (other than engineering)**

Contracts for professional services (other than engineering) exceeding \$200,000 may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer. Contracts for \$200,000 or less may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or, subject to their respective areas, the Chief Counsel, Division heads, and District Engineers.

- **Hourly Rate Architectural/Engineering Services**

Hourly rate professional services agreements on an on-call, as-needed basis to address capital improvement and capital asset preservation projects may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or General Services Director. The agreements generally have a three-year term with an option to renew for one additional year. The hourly rate Memorandum of Understanding is limited to \$100,000 per project.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph C2c

Last Reaffirmed:

Date of Origin: April 7, 2000 – Hourly rate engineers.

Related Commission Minutes: April 7, 2000; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

(NOTE: For consultant engineering services pertaining to highways see “Highways – Consultant Engineering Services.”)

## **VENDORS – PROCUREMENT OF SUPPLIES – RULES AND REGULATIONS**

Related Rule: [7 CSR 10-11, Procurement of Supplies](#)

Policies and procedures regarding soliciting and receiving bids for awarding procurement contracts and for vendor registration, notification of competitive bidding opportunities, suspension, and debarment are in keeping with Code of State Regulations, Title 7, Division 10, Chapter 11, *Procurement of Supplies*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: October 7, 2009 – Final rules adopted.

Supersedes Policy Dated: June 4, 1993 – Final rules adopted.

Last Reaffirmed: November 7, 2013

Date of Origin: June 4, 1993 – Final rules adopted.

Related Commission Minutes: March 6, 1992; Administrative Rules – April 1, 1993; June 4, 1993; June 3, 2009; October 7, 2009; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

# EXECUTION OF DOCUMENTS

## EXECUTION OF DOCUMENTS

### General Provisions

The Commission recognizes the need to expeditiously complete business transactions with contractors, vendors, and others providing goods and services and, therefore, delegates authority for execution of contractual documents within its policies. However, all such delegations for execution of documents must be in keeping with the following:

1. **Unique, Sensitive, and/or Potentially Controversial Transactions:**  
Notwithstanding the delegation of authority for approval and execution of documents within the MHTC Policies, all unique, sensitive, and/or potentially controversial transactions will be submitted to the Commission.
2. **Budget and Transportation Program Compliance:** The documents executed via the authority delegated within the MHTC Policies must not incur costs beyond those contemplated by the Commission-approved Statewide Transportation Improvement Program (STIP) and/or the MoDOT Operating Budget. The budget and STIP must be in compliance with the Commission's Debt Management Policy.
3. **Delegation of Authority for Execution of Documents:**
  - a. **Documents Related to Specific Commission Action** - The Director, Chief Engineer, Chief Financial Officer, and Assistant Chief Engineer (any one) are authorized to execute contracts on behalf of the Missouri Highways and Transportation Commission related to actions specifically taken by the Commission, except those involving the conveyance of property rights, which, in compliance with Section 227.290(1) RSMo 2000, must be executed by the Chair or Vice Chair.
  - b. **Documents Related to Authority Delegated in MHTC Policies** - The Director, Chief Engineer, Chief Financial Officer, and Assistant Chief Engineer are each authorized to approve and execute documents and expend funds on behalf of the Missouri Highways and Transportation Commission subject to the provisions therein.
4. **Authority extended to Division Heads' and District Engineers' Immediate Assistants:** In those areas within the MHTC Policies where a Division head or District Engineer is authorized to execute documents and expend funds, like authority is extended to the respective Division head's assistant(s), Assistant District Engineers, and Assistants to the District Engineer.

5. **Approval as to Form/Attestation/Seal/Facsimile Signature:** All documents executed on behalf of the Commission shall be approved as to form by the Chief Counsel or an authorized Assistant Counsel, executed by an authorized Commission representative, and attested to by the Secretary who shall affix the official seal of the Missouri Highways and Transportation Commission; however, (1) documents that are on the Chief Counsel's Office's approved list of contract forms provided there are no deviations from the form, and (2) documents that are prepared by outside parties and are identified on the Chief Counsel's list of approved nonstandard forms may be executed by the authorized Commission representative without approval as to form, attestation, or affixing the seal. The Secretary is authorized to place a facsimile signature on all copies of documents when the original bears the signature of the person authorized to execute the document.
6. **Electronic Signature:** The signatures and seal of the Commission that are authorized to be affixed to all documents pursuant to the Execution of Documents policy, may be affixed by facsimile or electronic means to said documents for purposes only of executing and attesting to these documents as authorized herein. Furthermore, the Commission delegates authority to the Secretary to establish procedures and directives necessary to implement execution of documents pursuant to this Execution of Documents Policy via electronic signatures in accordance with what is acceptable and allowed by Missouri law.

### **Specific Subjects and Documents**

The Commission delegates authority for approval and/or execution of documents throughout its policies. In those cases where the Commission has delegated its authority for approval and/or execution of specific documents or documents related to a specific subject, please refer to the respective subject. For example, see "Highways – Traffic Control" for policies related to signs.

Effective Date: January 8, 2014

Supersedes Policy Dated: November 7, 2013

Last Reaffirmed:

Date of Origin: February 11, 1958 – Comprehensive List of Documents; November 7, 2013 – Comprehensive Policy Review.

# FINANCIAL

## BUDGET

### OPERATING BUDGET

The Commission shall approve the Operating Budget by operating budget category. (The operating budget categories shown on the budget are Administration; System Management; Program Delivery; Fleet, Facilities, and Information Systems; and Multimodal.) Within the operating budget categories, State Road Funds shall be approved solely at the discretion of the Commission; all other state and federal fund disbursements shall be approved by the Commission but subject to federal appropriation or appropriation by the Missouri General Assembly.

### Expenditures within Operating Budget Categories

In those cases where other provisions within the MHTC Policies may be in conflict with this section, the other provisions will prevail. The Director, Chief Counsel, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, Division heads and District Engineers may approve bids and quotes, expend funds and execute agreements and contracts up to the operating budget category in the Commission-approved Operating Budget LIMITED TO the amounts noted below:

- a. **Greater than \$200,000** - All single transactions greater than \$200,000 shall be approved by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer.
- b. **\$200,000 or Less** –The Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, and, subject to their respective areas, the Chief Counsel, Division Heads, and District Engineers, (any one) are authorized to approve single transactions of \$200,000 or less. These staff members may delegate authority to others under their supervision to approve bids and quotes, expend funds and execute agreements and contracts in an amount not to exceed \$200,000 per transaction. Such delegation must be by written advisory from the staff members noted above to the Financial Services Director for the Central Office employees or to the manager responsible for processing district invoices for district employees.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph C

Last Reaffirmed:

Date of Origin: October 6, 1995

Related Commission Minutes: October 6, 1995-Purchasing and Contract Authority; July 7, 1995 – Performance Based Budget; January 8, 1999; April 7, 2000; June 14, 2006; September 13, 2006; \_\_\_\_ January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### JOINT PROJECTS – NON-STIP

The Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer may execute agreements wherein the terms of participating in a joint transportation improvement or other cooperative effort are outlined.

Effective Date: April 3, 2012 – EOD, Paragraph C3  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: July 10, 2001

Related Commission Minutes: April 3, 1998-Use of Commission Property for Training Activities; March 12, 1999-Use or Improvement to State Agency Facilities; July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## CAPITAL IMPROVEMENTS

### CAPITAL IMPROVEMENTS

A Capital Improvement Plan will be presented to the Commission through the budget process.

- a. **Bids/Contracts:** The Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer are authorized to approve bids and execute contracts for capital improvements, except that the total expenditures cannot exceed the total amount of the Commission-approved Capital Improvement Plan. In addition, the Director of General Services is authorized to approve bids and execute contracts for capital improvements for projects amounting to \$200,000 or less and may delegate this authority to others under his/her supervision by written advisory filed in the General Services Division. This approval is subject to concurrent or prior approval of the Office of Administration and/or the Board of Public Buildings, where applicable.
- b. **Capital Improvement Plan Construction Change Orders:** Change orders may be executed as delegated by the Chief Financial Officer through a written advisory to the General Services Director; however, revisions in the contract amounts meeting any of the three following criteria must be approved by the Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer: (1) additions greater than 50% if the original contract amount was \$250,000 or less; (2) additions greater than 25% if the original contract amount was greater than \$250,000; or (3) additions greater than \$500,000.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph C2  
Last Reaffirmed:  
Date of Origin: January 17, 1997

Related Commission Minutes: January 17, 1997; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.



## DEBT MANAGEMENT

### BOND FINANCING SUMMARY

**Related Statutes:** Section 226.133 RSMo 2000, as amended. Bonds may be issued, requirements, procedure.  
Missouri Constitution, Article IV, Section 30(b)

**ORIGINAL BOND ISSUES – 1921-1936** - *Missouri voters approved a Constitutional Amendment in 1920 which authorized a \$60 million bond issue for the construction of a statewide system of hard surface roads. All revenues from motor vehicle license fees were dedicated to payment of principal and interest on the bonded debt. A second bonding program in the amount of \$75 million was approved by the voters in 1928. All bonds issued under these two programs were retired by the end of 1957.*

**STATE BOND ISSUE – 1982** - *On June 8, 1982, Missouri voters approved a five-year \$600 million state bond financing program for the purpose of improving state buildings, stimulating economic development, which included an appropriation to the Department of Highways and Transportation for highway purposes, and for transportation purposes other than highways as designated by the Office of the Governor. These bonds were issued by the state and repaid from General Revenue.*

**ELECTION NOT TO BOND WITHOUT ADDITIONAL FUNDS – 1993** - *During its 1993 Special Session, the General Assembly gave bonding authority to the Commission to issue up to \$25 million for repair of damages caused by the 1993 flood. Thereafter approval of the General Assembly would be required prior to issuing bonds for highway and bridge construction or repair. The Commission elected **not** to issue bonds at that time citing (1) concern with the involvement of the General Assembly in the bonding process, (2) the cost of damages to the highway system resulting from the flood would be reimbursed from federal funds, and (3) no additional funds were provided in the legislation to offset the financing cost of accelerating projects through bonding.*

**SENIOR LIEN BOND FINANCING PROGRAM - 2000-2006** - *Legislation effective May 30, 2000 allowed the Commission to use bond financing for construction of projects in an amount limited to \$2.25 billion during the period extending from 2000 to 2006. The legislation did NOT include any new money to cover the bond financing costs and a list of projects was required to be submitted to the General Assembly on an annual basis for acceptance or rejection. A total of \$907 million of bonds were issued from 2000 through 2003 for this program. It was the understood intent of the supporters of this legislation and the General Assembly that “jump-starting” improvements through this program would encourage Missouri voters to approve an increase in revenue for transportation. When voters rejected a proposal in 2002 to increase the motor fuel tax by four cents and the general sales tax by ½ percent, the Commission determined that current revenues would not support further bonded indebtedness.*

**AMENDMENT 3 2004** - *The November 2004 voter approval of a citizens’ initiative amending Article IV, Section 30(b) of the Missouri Constitution redirected the half of the state sales tax on*

*motor vehicles that had previously gone to the state General Revenue Fund to a newly created State Road Bond Fund, for the exclusive purpose of repayment of state road bonds issued by the Highways and Transportation Commission for construction or reconstruction of specific projects on the state highway system as determined by the Highways and Transportation Commission. From 2005 through 2009, the Commission authorized \$2,050,000,000 of “Amendment 3” (First, Second, and Third Lien) bonds to be sold. The actual bond sales totaled \$1.977 billion*

*The 2004 Constitutional Amendment further provided that after January 1, 2009, that portion of the moneys in the State Road Bond Fund which the Commissioner of Administration and the Highways and Transportation Commission each certify is not needed to make payments upon said bonds or to maintain an adequate reserve for making future payments upon said bonds may be appropriated by the General Assembly to the State Road Fund. (Missouri Constitution, Article IV, Section 30(b)2(3)).*

*(The 2004 amendment to Article IV, Section 30(b) also limited the state agencies that could receive appropriations from highway user fees to the Missouri State Highway Patrol and the Department of Revenue and capped the amount appropriated to the Department of Revenue.)*

**GARVEE Bonds - 2008-2010** – GARVEE bonds pledge federal funds for repayment. In 2008, 2009, and 2010, the Commission authorized a total of \$960 million of GARVEE bonds to be sold to finance special projects. A total of \$928 million was issued.

*The Commission’s Debt Management Policy outlines the Commission’s criteria for sale of bonds. The Debt Management Policy was originally adopted by the Commission on May 5, 2000. The policy was amended on June 10, 2005, and May 10, 2006. The policy currently in effect was approved by the Commission on July 8, 2009. The staff of the Financial Services Division reviews the policy annually to determine if changes are needed and reports to the Commission at its July meeting as to whether the Department is in compliance with the policy.*

## **DEBT MANAGEMENT POLICY**

**Related Source:** Missouri Constitution, Article IV, Section 30(b)

### **Table of Contents**

Section 1:	Statement of Policy Objectives
Section 2:	Application of Policy
Section 3:	Definitions
Section 4:	Appropriate Uses of Debt
Section 5:	Description of Types of Debt
Section 6:	Analysis of Debt Capacity
Section 7:	Debt and Finance Plan Management
Section 8:	Project Acceleration
Section 9:	Disclosure Practices
Section 10:	Credit Rating Relations and Selection
Section 11:	Use of Credit Enhancement
Section 12:	Optional Redemption Provisions
Section 13:	Financial Advice
Section 14:	Method of Sale
Section 15:	Term of Bonds
Section 16:	Refunding Procedures and Practices
Section 17:	Use of Variable Rate Debt
Section 18:	Use of Derivative Products
Section 19:	Investment of Bond Proceeds
Section 20:	Arbitrage Rebate Compliance
Section 21:	Debt Service Reserve Funds
Section 22:	Market and Investor Relations
Section 23:	Use of Original Issue Discount and Premium
Appendix A:	Missouri Constitution, Article IV, section 30(b)

## **Section 1: Statement of Policy Objectives**

The purpose of this debt management policy (**Policy**) is to ensure that each debt financing of the Missouri Highways and Transportation Commission (**Commission**) is completed in the most efficient and professional manner and in accordance with the highest standards of the industry to achieve the Commission's fiscal management goals and objectives. The goals of the Commission are to:

- Maintain the best possible underlying credit ratings on long-term debt issued by the Commission;
- Minimize borrowing costs;
- Optimize future flexibility and debt profile; and
- Use debt to fund significant projects.

This Policy has been developed and amended to reflect current state and federal laws regarding Commission and public entity debt obligations as of the effective date of this Policy.

## **Section 2: Application of Policy**

This Policy will apply to any long-term indebtedness of the Commission. Long-term indebtedness refers to debt issued for capital financing with terms of one year or longer. This Policy shall also apply to capital equipment financing having a life of one year or longer. The Missouri Department of Transportation's Chief Financial Officer (**CFO**) will be responsible for ensuring compliance with this Policy.

The CFO has the responsibility and authority for structuring, implementing and managing the debt program. The CFO shall also advise the Commission regarding the need to amend this Policy and recommend any amendments. The Commission shall approve any amendments to this Policy.

The Commission may amend this Policy if doing so advances its fiscal management goals and objectives and such an amendment is fiscally prudent. Approved amendments shall be evidenced in writing and copies shall be delivered promptly to the rating agencies.

## **Section 3: Definitions**

<i>Arbitrage:</i>	Investment earnings on bond proceeds and certain monies pledged for payment of bonds, which are invested at a yield greater than the yield on the applicable bonds or the yield on the obligation adjusted for federal interest subsidy payments received by the Commission. The Internal Revenue Service regulates the amount which may be earned from the investment of such money and conditions under which arbitrage must be rebated to the U. S. Treasury. Arbitrage rules enforced by the Internal Revenue Service generally
-------------------	---

apply to all Tax Advantaged Financings.

<i>Commission:</i>	Missouri Highways and Transportation Commission created in article IV, section 29, Missouri Constitution.
<i>Debt Capacity:</i>	The maximum amount of debt or financing obligations that may be issued by a borrower within legal constraints without overextending the borrower's ability to repay those obligations.
<i>Debt Service Coverage from Pledged Federal Revenue:</i>	Annual Pledged Federal Revenue divided by the annual debt service on outstanding bonds issued by the Commission as Grant Anticipation Revenue Vehicles ( <b>GARVEE</b> ) or similar bonds.
<i>Debt Service Coverage from Pledged State Revenue:</i>	Annual Pledged State Revenue less the amount of debt service associated with closed liens divided by the annual debt service on open liens for outstanding bonds issued by the Commission.
<i>Department:</i>	Missouri Department of Transportation as created in article IV, section 29, Missouri Constitution.
<i>Derivative Product:</i>	A financial agreement associated with a debt issue or an investment in which its value is derived from other sources. A derivative product includes agreements to exchange fixed and floating rates, limit variable interest rate risk, or fix an interest rate on an investment or debt product for certain periods.
<i>Official Statement:</i>	The disclosure document prepared by the Commission describing the structure and security of the bond issue, as well as the economic, financial, demographic and managerial characteristics of the Commission, as appropriate.
<i>Original Issue Discount:</i>	The amount below par value paid by the ultimate purchasers at the time a bond or other debt instrument is issued.
<i>Original Issue Premium:</i>	The amount above par value paid by the ultimate purchasers at the time a bond or other debt instrument is issued.
<i>Pledged Federal Revenue:</i>	Federal aid reimbursements for road and bridge projects pledged and available to pay debt service on GARVEE or similar bonds issued by the Commission pursuant to the Missouri Constitution.
<i>Pledged State Revenue:</i>	State revenues derived from highway users pledged and available to pay debt service on bonds issued by the Commission pursuant to the Missouri Constitution.
<i>Project Acceleration:</i>	Debt financing issued by an outside entity to finance a Commission approved project to be constructed earlier than originally programmed by the Commission.

<i>Refunding Bonds:</i>	Bonds issued for the purpose of retiring, either at maturity, or in advance of maturity, previously issued bonds. These bonds are typically issued to achieve interest rate savings, restructure principal or to eliminate burdensome covenants with bondholders.
<i>State Road Bonds:</i>	As defined in article IV, section 30(b), Missouri Constitution, any bonds or refunding bonds issued by the Commission to finance or refinance the construction or reconstruction of the state highway system (see Appendix A).
<i>Tax Advantaged Financing:</i>	Bonds, notes, capital leases or other instruments treated as debt for federal income tax purposes, that are issued under provisions of federal income tax laws and regulations to provide special tax treatment either (1) for the debt holder in the form of a federal income tax credit or the ability to exclude interest paid on the obligation from gross income for federal income tax purposes or (2) for the issuer of the obligation in the form of a federal subsidy payment to offset a portion of interest expense.
<i>Total Road and Bridge Revenue:</i>	Total Commission revenues less funds dedicated for non-highway purposes such as airports, rail, transit and waterways.
<i>Variable Rate Debt:</i>	An instrument typically with a long-term maturity where the interest rate is adjusted periodically, on a daily, weekly, monthly, semi-annual or annual basis. With true variable rate demand obligations, the investor has the ability to unilaterally sell back their bonds to the remarketing agent. There are other types of short-term (variable rate) debt, such as auction rate securities, where investors may tender a bid to buy, sell or hold securities on a periodic basis, but there is no ability to sell the bonds back to a broker-dealer.

#### **Section 4: Appropriate Uses of Debt**

The Commission deems the following as appropriate uses of debt:

- Providing funds for the construction and reconstruction of the State Highway System pursuant to article IV, section 30(b) of the Missouri Constitution;
- Refunding Bonds under the guidance in Section 16 of this Policy; and
- Leases of one year or longer. Similar term leases as part of a statewide contract, master agreement, or any other agreement fall within the scope of this Policy.

**Before proceeding with a certification that a portion of the moneys in the State Road Bond Fund is not needed to make payments on bonds or to maintain an adequate reserve for making future payments and, therefore, asking that such moneys be appropriated to the State Road Fund pursuant to Article IV, Section 30(b)2.(3) of the Constitution, the Commission should consider other bonding projects that will benefit the state highway system.**

## Section 5: Description of Types of Debt

This section identifies the three categories of debt or other long-term obligations, which may be incurred by the Commission and the intended sources of repayment.

<i><b>CATEGORIES</b></i>		<i><b>REPAYMENT SOURCE</b></i>
1.	Contractual obligations of the Commission to pay for all or some portion of debt service on debt issued by an outside entity to finance a Commission approved project.	State or federal funds
2.	State Road Bonds.	State or federal funds
3.	Leases of one year or longer.	State funds

Each of these potential debt instruments are payable from resources deposited into the State Road Fund, the State Road Bond Fund or funds held in trust.

## Section 6: Analysis of Debt Capacity

The Commission acknowledges the relationship between the amount of outstanding debt and the credit rating and the importance of maintaining a high credit rating. This, in turn, helps preserve the Commission's continuous access to low-cost capital financing. Thus, the Commission will monitor its Debt Capacity and incorporate its debt obligations when determining other department spending priorities.

The Commission will limit the amount of Total Road and Bridge Revenue that can be allocated to debt obligations. The following capacity constraints relate to the Commission's potential debt or long-term obligations identified in Section 5 of this Policy. These constraints are in addition to the requirements set forth by the Commission's bond indentures.

A fixed percentage not to exceed 20 percent of the annual Total Road and Bridge Revenue may be used to meet the repayment requirements of the Commission's debt obligations identified in Section 5 of this Policy.

The Commission structures its debt based on the pledged revenue sources. When issuing debt, the Commission pledges either state revenue or a combination of federal and a subordinated pledge of state revenue. The State Road Bonds are categorized into five liens – senior lien, first lien, second lien, third lien and subordinated lien. The senior lien will not have additional bonds issued other than for the purpose of refunding the senior lien bonds. As a result, the senior lien is closed. The Commission will seek to maintain at least 5.0 x Debt Service Coverage from

Pledged State Revenue for the first lien debt, at least 4.0x Debt Service Coverage from Pledged State Revenue on the second lien debt and at least 3.0x Debt Service Coverage from Pledged State Revenue on the third lien debt.

The combination of federal and subordinate lien State Road Bonds are categorized into a single lien, referred to as the GARVEE lien. The Commission will seek to maintain at least 5.0x Debt Service Coverage from Pledged Federal Revenue on the GARVEE lien debt.

## **Section 7: Debt and Finance Plan Management**

The CFO shall be responsible for implementing the debt and finance plans of the Commission, including preparing cash flow projections of the Commission's capital and debt programs. These projections should include estimates of:

- All sources of funds;
- Each capital program component;
- The timing of construction commitments and disbursements;
- The timing of operating expenditures and transfers;
- Debt service requirements; and
- Debt service coverage.

The cash flow projections shall be revised as needed to reflect and incorporate current estimates for each element, including revised revenue and expense estimates, inflation and interest rates.

The Commission may use Tax Advantaged Financing. The purposes for which Tax Advantaged Financings may be used are generally limited by federal law and treasury regulations to financing or refinancing capital expenditures for publicly owned and operated facilities. When Tax Advantaged Financing is used, the CFO is also responsible for (1) developing and maintaining a system to account for the expenditure or allocation of bond proceeds to expenditures for purposes permitted under the provisions of the Internal Revenue Code and (2) to the extent required by applicable law and specific circumstances, monitoring the ownership and use of assets financed with proceeds of a Tax Advantaged Financing until the obligations are discharged. The CFO is also responsible for ensuring the bond financings remain in compliance with federal tax and post-issuance requirements.

## **Section 8: Project Acceleration**

A public or private entity may request Project Acceleration of a project identified in the Commission's current Statewide Transportation Improvement Program (**STIP**). If approved, the Commission will commit to future payments for all or some portion of debt service on debt issued by an outside entity to finance a Commission approved project. These debt service payments must fall within the acceptable levels of debt as outlined in this Policy.



## **Section 9: Disclosure Practices**

Official Statements and other financial disclosure documents shall be prepared based upon industry practices, regulatory requirements and the *Disclosure Guidelines for State and Local Government Securities* prepared by the Government Finance Officers Association (GFOA) where applicable. The Commission shall covenant to comply with all applicable market disclosure requirements.

## **Section 10: Credit Rating Relations and Selection**

Credit ratings are a major factor in determining the cost of borrowed funds in the municipal market. The determination of credit quality by a rating agency is based on that agency's assessment of the creditworthiness of the Commission with respect to a specific obligation. The goal of the Commission is to maintain its positive presence in the credit markets through the maintenance and improvement of all relevant credit characteristics within its control.

As this Policy is amended from time to time, a copy will be sent to the credit rating agencies.

## **Section 11: Use of Credit Enhancement**

Credit enhancement (third party guarantees of debt including but not limited to bond insurance, bank facilities, and surety bonds, as appropriate) may be used to improve the marketability of a particular issue or when the cost of the credit enhancement is less than the financial benefit, which results from use of the enhancement. Absent special circumstances, credit enhancement providers shall be selected by competitive proposal.

## **Section 12: Optional Redemption Provisions**

Commission debt issues shall customarily include an option by the Commission to redeem the outstanding principal after a specific date at a price at or above the par amount of the principal then outstanding. Exceptions may exist for shorter-term debt for which optional redemption may have an adverse effect on the interest rate or marketability of debt. The optional redemption terms shall be determined based upon the following factors:

- Special requirements of the Commission due to program or business terms; and
- The earliest date at which bonds may be redeemed at the lowest price which does not have a material adverse effect on the price or marketability of the issue.

## **Section 13: Financial Advice**

The Commission may retain an independent professional service provider and bond counsel advisor in connection with all debt issues, when necessary. A service provider is prohibited from acting as an underwriter on any financing for which they have been engaged by the Commission

to provide financial advisory services for a period of one year after the scheduled expiration of such financial advisor agreement.

Any person, firm, corporation or other entity doing business in the state of Missouri as a financial advisor, underwriter or investment advisor shall be selected in a manner consistent with the requirements of applicable federal and state laws, regulations and administration rules.

#### **Section 14: Method of Sale**

Analysis will be conducted to ensure the most effective and efficient method of sale is selected. The Commission shall make the final determination as to the method of sale.

#### **Section 15: Term of Bonds**

The term of the bonds issued will be structured such that the average life of the bonds does not exceed the useful life of the projects constructed with the bond proceeds.

#### **Section 16: Refunding Procedures and Practices**

Refunding of outstanding debt will be considered in order to:

- Achieve debt service savings;
- Restructure principal; and
- Eliminate burdensome covenants with bondholders.

An advanced refunding takes place when new refunding bonds are issued at least 90 days before the call date on the outstanding bonds being refunded. The proceeds of the new refunding bonds are invested in an escrow account and then used to pay off the old bonds when the old bonds are callable. The number of advanced refundings of governmental bonds is limited to one by federal regulations. Therefore, an advance refunding to achieve debt service savings should generate a level of savings sufficient to justify the utilization of the one-time refunding opportunity. Targets for refunding savings are as follows:

- Each maturity to be advance refunded should produce a minimum 3 percent present value savings.
- The total present value savings (net of expenditures associated with the transaction) for all maturities to be advance refunded should be at least 5 percent of the refunded par amount.

Current refundings (issued and used to pay off old bonds within 90 days of call date) must achieve material net savings above the cost of issuance.

Consideration of refunding opportunities will include more than the present value savings targets noted above. For example, the amount of negative arbitrage should factor into a refunding decision. Staff will consult with the financial advisor and use other tools available to evaluate

refunding opportunities and develop recommendations for the Commission.

The manner in which savings are realized (up front, deferred or on a level annual basis) should be determined based upon the overall needs and objectives of the Commission. In most instances, up front savings will be used to fund the construction and reconstruction of state highway system projects, while annual savings will be used to reduce ongoing revenue or appropriation requirements.

Refundings involving a restructuring of principal shall be considered if there is no adverse effect on the credit rating or credit perception of the issue, or if the Commission can achieve a more favorable matching of revenues or other resources pledged to meet debt service payments.

Restructuring of principal shall seek to minimize the amount of Refunding Bonds to be issued. Refundings undertaken to respond to a change of legal covenants or to make pledged reserves available for other purposes should determine any economic impact on the Commission as measured by present value savings or loss, inclusive of cash contributions and any debt service reserve fund earnings. Such economic effects include:

- Limitations imposed by the Internal Revenue Code;
- Use of reserves;
- Future financing capacity;
- Future marketability of the Commission's debt; and
- Credit ratings, which may be related to the specific circumstances of the refunding.

Any debt service reserve funds, which are released after a refunding, shall not be used for operating expenses.

### **Section 17: Use of Variable Rate Debt**

The Commission will not have unhedged Variable Rate Debt outstanding in excess of 20 percent of the total principal amount of all debt outstanding.

### **Section 18: Use of Derivative Products**

The Commission may consider the use of Derivative Products to manage interest rate risk, other financing risks, or to reduce the interest cost on any debt it is authorized to incur. The Commission shall not consider any Derivative Product that creates extraordinary leverage or financial risk.

Before entering into a Derivative Product contract, the Commission shall:

- Identify the specific financial objective(s) to be realized;
- Seek and obtain analysis and recommendations on the use of any Derivative Product(s) from an independent financial advisor (**advisor**); and
- Assess the product's risks.

The analysis and recommendation of the advisor shall establish that the financial risks to the Commission from using Derivative Product(s) are justified in relation to the expected benefit to be obtained from such product(s). At a minimum, the Commission and advisor shall evaluate the following risk factors: potential basis cost, interest rate, tax, termination, credit, liquidity, counterparty, rating agency and amortization.

Derivative Product contracts shall not exceed 20 percent of the Commission's outstanding long-term debt, adjusted for any authorized long-term debt not yet issued. This limitation excludes cash settled swaps.

The Commission shall only enter into agreements with highly rated financial institutions (**counterparties**). All counterparties shall be rated by at least two of the three national rating agencies and at least one rating shall be no lower than "AA-" by Standard & Poor's Rating Services or Fitch Investors Ratings Service or "Aa3" by Moody's Investors Services, Inc. The Commission and advisor shall establish criteria to diversify its exposure to individual counterparties. In addition, the Commission and advisor shall perform their own due diligence on the reliability of counterparties.

Derivative Product transactions shall be managed and evaluated by the advisor and Department staff responsible for such transactions on behalf of the Commission. All services related to the Derivative Products shall be procured in a manner which is intended to satisfy applicable state laws and federal income tax laws and regulations applicable to the use of the Derivative Product in a Tax Advantaged Financing and to provide the Commission the highest level of service at the best available terms and pricing while ensuring consistency with applicable laws. Derivatives shall not be used without the explicit approval of the Commission.

## **Section 19: Investment of Bond Proceeds**

To the extent possible, investments will be managed to preserve principal, maximize the interest earned, meet legal covenants and requirements, match liquidity requirements and observe tax law limitations.

## **Section 20: Arbitrage Rebate Compliance**

To the extent required by applicable federal laws, regulations and bond covenants, the Commission will comply with all Arbitrage rebate requirements including Tax Advantaged Financing. The Commission may use outside experts, including bond counsel, financial advisor or public accountants, to assist in preparing required filings and making payments. The Commission will annually determine any accrued rebate liability and make provisions for reserving funds for rebate purposes.

## **Section 21: Debt Service Reserve Funds**

Debt service reserves funded by proceeds of bonds or available cash or cash equivalents may be created to secure debt issues of the Commission. Debt service reserve funds will be created only when required to market a specific type of debt, achieve a desired credit rating or provide a needed liquidity source for a debt issue.

## **Section 22: Market and Investor Relations**

The Commission and/or its financial advisor shall maintain favorable relations with the investing public and the underwriters, which buy and sell its debt. The following actions shall be taken to achieve this purpose:

- Maintain contacts with investment banking firms;
- Maintain contacts with rating agencies to ensure that they are informed of the Commission's financial position and major initiatives; and
- Provide financial statements, Official Statements and periodic financial information pursuant to the Commission's ongoing disclosure obligations.

## **Section 23: Use of Original Issue Discount and Premium**

The Commission will minimize the use of Original Issue Discount or Original Issue Premium (**OID** and **OIP**, respectively) unless financial benefits can be demonstrated or it is necessary for purposes of marketing a portion of a bond issue. Bonds which carry significant OID may be rendered nonrefundable, a significant disadvantage to the Commission for which a commensurate benefit should be received. Bonds that generate a substantial OIP create more proceeds for the Commission but at a higher rate of interest.

Effective Date: November 7, 2013

Supersedes Policy Dated: July 8, 2009

Last Reaffirmed:

Date of Origin: May 5, 2000

Related Commission Minutes: Adopted May 5, 2000; Amended June 10, 2005; Amended May 10, 2006; July 8, 2009; November 7, 2013 – Comprehensive Policy Review.

## **DEBT MANAGEMENT POLICY (Continued)**

### **Appendix A: *Missouri Constitution* Article IV, Section 30(b)**

#### **EXECUTIVE DEPARTMENT**

##### **Section 30(b). Source and application of state road fund--sales tax imposed on sale of motor vehicles, apportionment, how, use of revenue--distribution of increases--sales taxes not part of total state revenues or expenses of state government.**

1. For the purpose of constructing and maintaining an adequate system of connected state highways all state revenue derived from highway users as an incident to their use or right to use the highways of the state, including all state license fees and taxes upon motor vehicles, trailers and motor vehicle fuels, and upon, with respect to, or on the privilege of the manufacture, receipt, storage, distribution, sale or use thereof (excepting those portions of the sales tax on motor vehicles and trailers which are not distributed to the state road fund pursuant to subsection 2 of this section 30(b) and further excepting all property taxes), less the (1) actual cost of collection of the department of revenue (but not to exceed three percent of the particular tax or fee collected), (2) actual cost of refunds for overpayments and erroneous payments of such taxes and fees and maintaining retirement programs as permitted by law and (3) actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations, shall be deposited in the state road fund which is hereby created within the state treasury and stand appropriated without legislative action to be used and expended by the highways and transportation commission for the following purposes, and no other:

First, to the payment of the principal and interest on any outstanding state road bonds. The term state road bonds in this section 30(b) means any bonds or refunding bonds issued by the highways and transportation commission to finance or refinance the construction or reconstruction of the state highway system.

Second, to maintain a balance in the state road fund in the amount deemed necessary to meet the payment of the principal and interest of any state road bonds for the next succeeding twelve months.

The remaining balance in the state road fund shall be used and expended in the sole discretion of and under the supervision and direction of the highways and transportation commission for the following state highway system uses and purposes and no other:

(1) To complete and widen or otherwise improve and maintain the state highway system heretofore designated and laid out under existing laws;

(2) To reimburse the various counties and other political subdivisions of the state, except incorporated cities and towns, for money expended by them in the construction or acquisition of roads and bridges now or hereafter taken over by the highways and transportation commission as permanent parts of the state highway system, to the extent of the value to the state of such roads and bridges at the time taken over, not exceeding in any case the amount expended by such counties and subdivisions in the construction or acquisition of such roads and bridges, except that the highways and transportation commission may, in its discretion, repay, or agree to repay, any cash advanced by a county or subdivision to expedite state road construction or improvement;

(3) In the discretion of the commission to plan, locate, relocate, establish, acquire, construct and maintain the following:

- (a) interstate and primary highways within the state;
- (b) supplementary state highways and bridges in each county of the state;
- (c) state highways and bridges in, to and through state parks, public areas and reservations, and state institutions now or hereafter established to connect the same with the state highways, and also national, state or local parkways, travelways, tourways, with coordinated facilities;
- (d) any tunnel or interstate bridge or part thereof, where necessary to connect the state highways of this state with those of other states;
- (e) any highway within the state when necessary to comply with any federal law or requirement, which is or shall become a condition to the receipt of federal funds;
- (f) any highway in any city or town which is found necessary as a continuation of any state or federal highway, or any connection therewith, into and through such city or town; and
- (g) additional state highways, bridges and tunnels, either in congested traffic areas of the state or where needed to facilitate and expedite the movement of through traffic.

(4) To acquire materials, equipment and buildings and to employ such personnel as necessary for the purposes described in this subsection 1; and

(5) For such other purposes and contingencies relating and appertaining to the construction and maintenance of such state highway system as the highways and transportation commission may deem necessary and proper.

2. (1) The state sales tax upon the sale of motor vehicles, trailers, motorcycles, mopeds and motortricycles at the rate provided by law on November 2, 2004, is levied and imposed by this section until the rate is changed by law or constitutional amendment.

(2) One-half of the proceeds from the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles shall be dedicated for highway and transportation use and shall be apportioned and distributed as follows: ten percent to the counties, fifteen percent to the cities, two percent to be deposited in the state transportation fund, which is hereby created within the state treasury to be used in a manner provided by law and seventy-three percent to be deposited in the state road fund. The amounts apportioned and distributed to the counties and cities shall be further allocated and used as provided in section 30(a) of this article. The amounts allocated and distributed to the highways and transportation commission for the state road fund shall be used as provided in subsection 1 of this section 30(b). The sales taxes which are apportioned and distributed pursuant to this subdivision (2) shall not include those taxes levied and imposed pursuant to sections 43(a) or 47(a) of this article. The term "proceeds from the state sales tax" as used in this subdivision (2) shall mean and include all revenues received by the department of revenue from the said sales tax, reduced only by refunds for overpayments and erroneous payments of such tax as permitted by law and actual costs of collection by the department of revenue (but not to exceed three percent of the amount collected).

(3) (i) From and after July 1, 2005, through June 30, 2006, twenty-five percent of the remaining one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund which is hereby created within the state treasury; (ii) from and after July 1, 2006, through June 30, 2007, fifty percent of the aforesaid one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund; (iii) from and after July 1, 2007, through June 30, 2008, seventy-five percent of the aforesaid one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles

which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund; and (iv) from and after July 1, 2008, one hundred percent of the aforesaid one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund. Moneys deposited in the state road bond fund are hereby dedicated to and shall only be used to fund the repayment of bonds issued by the highways and transportation commission to fund the construction and reconstruction of the state highway system or to fund refunding bonds, except that after January 1, 2009, that portion of the moneys in the state road bond fund which the commissioner of administration and the highways and transportation commission each certify is not needed to make payments upon said bonds or to maintain an adequate reserve for making future payments upon said bonds may be appropriated to the state road fund. The highways and transportation commission shall have authority to issue state road bonds for the uses set forth in this subdivision (3). The net proceeds received from the issuance of such bonds shall be paid into the state road fund and shall only be used to fund construction or reconstruction of specific projects for parts of the state highway system as determined by the highways and transportation commission. The moneys deposited in the state road bond fund shall only be withdrawn by appropriation pursuant to this constitution. No obligation for the payment of moneys so appropriated shall be paid unless the commissioner of administration certifies it for payment and further certifies that the expenditure is for a use which is specifically authorized by the provisions of this subdivision (3). The proceeds of the sales tax which are subject to allocation and deposit into the state road bond fund pursuant to this subdivision (3) shall not include the proceeds of the sales tax levied and imposed pursuant to sections 43(a) or 47(a) of this article nor shall they include the proceeds of that portion of the sales tax apportioned, distributed and dedicated to the school district trust fund on November 2, 2004. The term "proceeds from the state sales tax" as used in this subdivision (3) shall mean and include all revenues received by the department of revenue from the said sales tax, reduced only by refunds for overpayments and erroneous payments of such tax as permitted by law and actual costs of collection by the department of revenue (but not to exceed three percent of the amount collected).

3. After January 1, 1980, any increase in state license fees and taxes on motor vehicles, trailers, motorcycles, mopeds and motortricycles other than those taxes distributed pursuant to subsection 2 of this section 30(b) shall be distributed as follows: ten percent to the counties, fifteen percent to the cities and seventy-five percent to be deposited in the state road fund. The amounts distributed shall be apportioned and distributed to the counties and cities as provided in section 30(a) of this article, to be used for highway purposes.

4. The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of "total state revenues" as that term is used in section 17 of Article X of this constitution nor be considered as an "expense of state government" as that term is used in section 20 of article X of this constitution.

(Adopted March 6, 1962) (Amended November 6, 1979) (Amended by Initiative November 2, 2004)

(1962) Highway commission had authority to condemn easement to provide a substitute location for pipelines which was necessary for interstate highway construction as the taking was for public purpose and was not in violation of Article III, § 38(a) since state received compensation in surrender of existing right-of-way. *State ex rel. State Highway Commission v. Eakin* (Mo.), 357 S.W.2d 129.

(1968) Toll road authority act of the 74th General Assembly which permitted resorting to gas tax money to meet bonding obligations violated constitutional provision for allocation of gas tax money. *Pohl v. State Highway Commission* (Mo.), 431 S.W.2d 99.



(1972) Subdivision (5) of this section does not empower the State Highway Commission to provide rest areas abutting state routes. *State ex rel. State Highway Commission v. Pinkley (A.)*, 474 S.W.2d 46.

(1973) Held, this provision requires interest or income from state road fund to be credited to such fund and not diverted to general revenue or any purpose other than state highway purposes. *State Highway Commission v. Spainhower (Mo.)*, 504 S.W.2d 121.

(1984) Fees collected by motor vehicle unit of Dept. of Revenue for copies of motor vehicle records made pursuant to section 109.190, RSMo, are "revenue derived from state highway users" and as such are to be credited to state road fund. *State Highways and Transportation Commission of Missouri v. Director, Department of Revenue (Mo. banc)*, 672 S.W.2d 953.

(1992) Logo signs along highway rights-of-way, announcing availability of purveyors of food, fuel and lodging at highway exits constitute an improvement to the highways and the initial use of highway funds, whether reimbursed or not, does not transgress constitutional restrictions. *Missouri Outdoor Advertising Association, Inc. v. Missouri State Highways and Transportation Commission*, 826 S.W.2d 342 (Mo. en banc).

(1994) Expenditure of state road fund for mitigation plan required by federal Pipeline Safety Act is appropriate expenditure as it relates and appertains to the construction of Page Avenue Extension of state highway. *DeMere v. Missouri State Highway and Transportation Commission*, 876 S.W.2d 652 (Mo. App. W.D.).

## **PROJECT FUNDING AND FINANCING ALTERNATIVES (COST-SHARE)**

Innovative project funding and financing alternatives for transportation projects are techniques and mechanisms employed to achieve project benefits earlier than would be possible with traditional funding and financing methods. These alternatives can be used in conjunction with each other to develop a project-funding plan.

### **Funding Alternatives**

- Cost-Share/Economic Development Program
- Transportation Corporations
- Transportation Development Districts

### **Financing Alternatives**

- Missouri Transportation Finance Corporation (MTFC) Loan
- State Transportation Assistance Revolving (STAR) Fund Loan

(See below for description and policies pertaining to each of the funding and financing alternatives.)

### **Conventional Debt**

In addition to the innovative financing programs noted above, project sponsors can use conventional debt-financing methods such as bonds and bank loans to finance projects.

### **General Policies**

In addition to policies specific to each of the funding or financing alternatives, the following general policies apply.

### **Project Funding Plan**

- All projects funded through these alternatives must have a written plan for funding type and source. This plan should be incorporated into the agreement between the project sponsor and MHTC.
- Concurrence from the District Engineer is necessary for Cost Share/Economic Development projects to proceed.

### **Acceleration**

- **Provisions** - MoDOT will consider moving a construction project earlier in the schedule if:
  1. The project sponsor provides 100 percent of the project financing. The MHTC will repay all or an agreed upon portion of the construction cost when the project was initially scheduled for construction or at such future time as MHTC agrees to repayment.

2. The terms of repayment comply with MHTC's debt management policy. This policy establishes a methodology for determining the Commission's debt capacity.

- **Project Scope** - MoDOT will also consider modifying projects under development if the project sponsor agrees to partially or completely pay for the new elements.
- **Project Design** - All projects on the state highway system must meet MoDOT's design standards and are subject to the same review and approval processes as projects fully funded by MoDOT.
- **Innovative Finance/Project Acceleration Agreements – Approval and Execution:** Agreements by which entities accelerate a project on the Commission-approved Statewide Transportation Improvement Plan (STIP) by providing the cost of financing and the Commission commits to future repayment of project costs, may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer, provided the agreements are in compliance with all related Commission policies. Related Commission Minutes for Innovative Finance/Project Acceleration Agreements: July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7b

## Funding Alternatives

### **Cost-Share / Economic Development Program**

*Since 1926, counties and political subdivisions have been allowed to participate in the cost of improvements on the state highway system in order to advance the projects. On December 9, 1988, the Commission approved its first policy pertaining to business enterprise participation in improvement projects on the state highway system.*

### **Cost Share/Economic Development Committee**

The Cost Share/Economic Development Committee consists of the Chief Engineer, Chief Financial Officer, and the Assistant Chief Engineer. The Committee selects projects prior to recommending approval by the Commission via a STIP amendment.

Related Commission Minutes – Cost Share/Economic Development Committee: October 3, 1997-Innovative Finance Steering Committee.

***SUSPENDED Cost Share/Economic Development Program*** - January 8, 2014 - Commission unanimously suspended the Cost Share/Economic Development Program for all projects not approved by the Cost-Share Committee at, or prior to, the Cost-Share Committee's November 15, 2013, meeting. Action taken due to lack of funding.

In addition to the general policies noted above, Cost Share/Economic Development Program projects must be in compliance with the following:

- Project must be on state highway system.
- Local metropolitan planning organization (MPO) or regional planning commission (RPC) must support project.
- District engineer must agree to need and proposed solution before project can be considered.

- Agreement approved by the Missouri Highways and Transportation Commission (MHTC) and the project sponsor is required for each project. The MHTC agreement identifies project expenses that will be included and each party's responsibility for project costs. These agreed upon expenses are called "participation costs."
- At a minimum, agreement between MHTC and project sponsor will include expenses for construction inspection, construction contract, and any construction change orders. Other expenses that may be included are preliminary engineering, right of way acquisition, right of way incidental costs and utility relocations.
- Project sponsors must contribute at least 50 percent of participation costs unless the project creates a material number of new jobs relative to the size of the project.
- Projects that create jobs, as verified by the state Department of Economic Development, may be funded up to 100 percent of participation costs. Retail development projects are not eligible for the higher participation level.

### **Economic Development Agreements – Approval and Execution**

Agreements, applications, and related documents with the Missouri Department of Economic Development or the Missouri Development Finance Board concerning the Commission receiving contributions for the construction of transportation projects may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer, provided the subject project has been approved by the Commission.

Related Commission Minutes – Economic Development Agreements: July 10, 2001; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7c; January 8, 2014 – Cost-Share/Economic Development Program suspended.

### **Transportation Corporations**

**Related Statutes:** Sections 238.300 – 238.367, RSMo - Transportation Corporations  
(First effective May 30, 1990)

***Transportation Corporations:** Legislation was enacted in 1990 for the purpose of creating an alternate funding means for accomplishing needed highway improvement projects.*

*Transportation Corporations are temporary, not-for-profit corporations formed under state law to advance state system project. The Corporation's Board of Directors has various powers and authority to (1) act on behalf of MHTC; (2) issue bonds; and (3) charge a toll. When all debt pertaining to the project has been paid, the project becomes a part of the state system.*

*The statutes require the Commission to determine that the proposed project will improve or is a necessary or desirable extension of the state highways and transportation system and that the proposed corporation will have adequate funds to finance the proposed project. The statutes further require that rules be promulgated regarding the transportation corporations' authority to enforce the payment of tolls. An example of a project completed through use of the Transportation Corporation structure and the collection of tolls is the Lake of the Ozarks Community Bridge in Camden County.*

In addition to the general policies noted above, Transportation Corporations:

- Must hold a public hearing and receive approval by affected cities, counties, and MHTC.
- Must enter into a project agreement with MHTC.

## **Transportation Corporation Rules – Enforcement of Tolls**

**Related Rules:** [7 CSR 10-21, Transportation Corporations](#)

The manner in which the Commission authorizes transportation corporations to enforce tolls will be in keeping with State Code of Regulations, Title 7, Division 10, Chapter 21, *Transportation Corporations*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Related Commission Minutes – Transportation Corporation Rules: Administrative Rules: January 9, 1998; April 3, 1998.

## **Transportation Corporation Documents – Approval and Execution**

Agreements with Transportation Corporations may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer; HOWEVER, in keeping with the statutes, the following must be approved by the Commission: project authorization; articles of incorporation; by-laws; final financing plan; and final construction plans and specifications.

Related Commission Minutes Transportation Corporations-EOD: July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7d(2)

## **Transportation Development Districts**

**Related Statutes:** Sections 238.200 – 238.280, RSMo – Transportation Development Districts (First effective May 30, 1990)

*Legislation known as the “Missouri Transportation Development District Act” was enacted in 1990. This legislation allows a district (political subdivision) to be created to fund, promote, design, construct, improve, maintain, and operate one or more projects or to assist in such activity. Transportation Development Districts are temporary political subdivisions of the state formed through the circuit court process to advance local or state system projects. The District board has various powers and authority to (1) act on its own behalf; (2) issue bonds; (3) and impose sales tax, property tax, special assessment, or toll. When the project is complete, it becomes either part of the state or local transportation system.*

In addition to the general policies noted above, Transportation Development District projects must be in compliance with the following:

- Property owners or registered voters must approve district, project, and funding.
- Must enter into agreement with MHTC and/or local transportation authority.

## **Transportation Development District Documents – Approval and Execution**

Agreements with Transportation Development Districts may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer; HOWEVER, in keeping with the statutes, the following must be approved by the Commission: project authorization and final plans and specifications.

Related Commission Minutes – TDD EOD - July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7d(1)

## **Financing Alternatives**

### **Missouri Transportation Finance Corporation (MTFC)**

*State Infrastructure Banks were created in the 1995 National Highway System bill to make loans and provide assistance to surface transportation and capital transit projects. In order to establish a State Infrastructure Bank in Missouri, the Commission created a non-profit lending corporation known as the Missouri Transportation Finance Corporation (MTFC), as authorized by the federal transportation act, to help finance local transportation projects. The loans allow highway and public transportation projects to be completed more quickly through the use of a combination of federal, state, local, and private money. The State Infrastructure Bank is authorized to offer a variety of financing options for transportation projects, including direct low-interest loans, bonds, and credit enhancements to allow local governments to get a lower interest rate on bonds. During the period extending from 1996 through 1999, the bank was capitalized with \$59.7 million dollars (\$49.4 federal dollars plus \$10.3 state matching dollars). Since that time funds to operate the program have been those that are returned to the bank in the form of loan repayments, as well as investment income and loan application fees.*

### **MTFC Organizational Structure**

A general non-profit corporation, to be known as the Missouri Transportation Finance Corporation (MTFC), created in keeping with Missouri law will be used as the initial organizational structure for the State Infrastructure Bank. The Commission Secretary will act as registered agent for the corporation.

(August 9, 1987)

The Missouri Transportation Finance Corporation Board of Directors will be appointed by the Commission. The directors shall at all times be divided into three groups. Group 1 shall consist of three of the then current members of the Commission each of whom shall be elected by the Commission. Group 2 shall consist of three employees of the Missouri Department of Transportation being the Director, Chief Financial Officer, and Director of Multimodal Operations who shall serve as members of the Board of Directors by virtue of their positions without further action of the Commission. Group 3 shall consist of two at large members with knowledge in the field of business or finance elected by the Commission.

The President of the Board of Directors shall be from Group 1 and shall be appointed by the Chairman. All other officers will be elected by the Board of Directors.

The Board of Directors of the Missouri Transportation Finance Corporation is authorized to approve and amend the bylaws of the corporation; however, the provisions thereof shall not be inconsistent with the provisions above.

In addition to the general policies noted above, the following specific provisions are applicable to the Missouri Transportation Finance Corporation:

- Applicants must be able to pay back loan and agree to terms and conditions approved by corporation and MHTC.
- Eligible projects include highway projects and transit capital projects otherwise eligible for federal transportation funds.

- Assistance is provided primarily through direct loans; however, other types of assistance include primary and subordinated loans, bond and grant anticipation loans, debt-reserve financing, subsidized interest rates, letters of credit and others.
- Interest rates are based on comparable term U.S. Treasury or tax-exempt bond rates.

Related Commission Minutes - MTFC: March 6, 1996; August 9, 1996; October 3, 1997; April 3, 1998; December 2, 1998; July 7, 2000; January 10, 2003; April 4, 2003; September 10, 2004; March 5, 2014.

### **State Transportation Assistance Revolving Loan (STAR)**

**Related Statutes:** Section 226.191 RSMo 2000 – State transportation assistance revolving fund created—administration—powers of commission—fund not to lapse.

*Legislation was enacted in 1996 creating a State Transportation Assistance Revolving (STAR) Fund for the purpose of assisting in the planning, acquisition, development, and construction of transportation facilities **other than highways**. In December 1997, the fund was capitalized with \$2,425,000 of General Revenue funds appropriated by the General Assembly. The General Assembly annually appropriates the balance in the STAR Fund account thereby making those funds available for STAR Fund loans.*

In addition to the general policies noted above, the following specific provisions are applicable to State Transportation Assistance Revolving Fund loans:

- Applicants must be able to pay back loan and agree to terms and conditions approved by MHTC.
- **Eligible projects include non-highway transportation projects.**
- Assistance is primarily through direct loans.
- Interest rates are based on comparable term tax-exempt bond rates.
- Funds are provided to applicants on a reimbursement basis, after receipt of project invoices from the project sponsor.

### **State Transportation Assistance Revolving (STAR) Fund Rules**

**Related Rules:** [7 CSR 10-20, Financial Assistance](#)

The procedures, conditions, and repayment terms applicable to any loans made under the State Transportation Assistance Revolving Fund Program will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 20, *Financial Assistance*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 7, 2013

Supersedes Policy Dated: March 10, 2004

Last Reaffirmed:

Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004

Related Commission Minutes – STAR Fund Rules: July 11, 1997; October 3, 1997

**Note: The policy approved on November 7, 2013, combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.**

## **TRANSFER OF FUNDS AND REIMBURSEMENTS**

### **FINANCIAL TRANSACTIONS**

Financial transactions issued by the Missouri Department of Transportation for funds held outside of the State Treasury may be executed by the Chief Financial Officer and/or those delegated by the Chief Financial Officer as reflected on the banking signatory agreements.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2013 – EOD, Paragraph D1  
Last Reaffirmed:  
Date of Origin: May 2, 1986 - EOD  
Related Commission Minutes: May 2, 1986 – EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **ELECTRONIC MANAGEMENT SYSTEM**

Documents necessary to receive and expend Multimodal federal funds made available to the Commission by federal agencies through the Electronic Grant Management System may be executed electronically or manually by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or Multimodal Operations Director, provided all funds so received and expended are included in the STIP. These staff members may delegate to others under their supervision by written advisory filed with the respective Division.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2013 – EOD, Paragraph D5  
Last Reaffirmed:  
Date of Origin: March 6, 1997  
Related Commission Minutes: March 6, 1997; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **ELECTRONIC GRANT CLEARINGHOUSE SYSTEM**

Requests for payment through the Electronic Clearinghouse System for funds for federal Multimodal projects included in the STIP may be authorized by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or Multimodal Operations Director. These staff members may delegate to others under their supervision by written advisory filed with the respective Division.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2013 – EOD, Paragraph D6  
Last Reaffirmed:  
Date of Origin: March 6, 1997  
Related Commission Minutes: March 6, 1997; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **ELECTRONIC GRANT TRACKING SYSTEM**

Documents necessary to receive and expend federal funds made available to the Commission by the National Highway Traffic Safety Administration for federal projects included in the annual



Highway Safety Plan may be authorized by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or the Highway Safety Director. These staff members may delegate to others under their supervision by written advisory filed with the respective Division.

Effective Date: April 3, 2012 - EOD  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: December 10, 2004 - EOD  
Related Commission Minutes: December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph D7; November 7, 2013 – Comprehensive Policy Review.

### **FEDERAL AGENCIES**

Documents (hard copy or electronic) necessary to receive and expend federal funds made available by the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, the Federal Aviation Administration, the United States Coast Guard, the National Highway Traffic Safety Administration, the Federal Motor Carrier Safety Administration, or other federal agencies may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, Multimodal Operations Director, State Traffic and Highway Safety Engineer, Highway Safety Director, or Motor Carrier Services Director. These staff members may delegate to others under their supervision by written advisory filed with the respective Division.

Effective Date: April 3, 2013 – EOD, Paragraph D3  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: February 8, 1954  
Related Commission Minutes: February 8, 1954 – Federal Aid Project Agreements; June 12, 1956-Federal Aid Project Agreements; June 10, 1958-Federal Aid Reimbursement Vouchers; September 18, 1970; January 13, 1989-EOD; March 9, 1990; March 6, 1997; \_\_\_\_January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **TRANSFER OF FUNDS – STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND TO STATE ROAD FUND**

**Related Statutes:** Section 226.230, RSMo 2000 – Transfer of Funds

Formal documents effecting transfers between the State Highways and Transportation Department Fund and the State Road Fund may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or Financial Services Director. The Chief Financial Officer will maintain balances in each fund necessary to meet business requirements.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2013 – EOD, Paragraph D2  
Last Reaffirmed:  
Date of Origin: August 11, 1967

Related Commission Minutes: July 13, 1967; August 11, 1967; December 2, 1983; January 13, 1989; July 6, 1990; May 5, 1995; August 8, 1996; July 2, 1998; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

# **HIGHWAYS**

## **BRIDGES**

### **BRIDGE ATTACHMENTS**

The Chief Engineer is instructed and empowered to enter into negotiations with various companies making requests to use bridges to carry utility lines. Agreements allowing attachments to bridges may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G2

Supersedes Policy Dated: January 11, 2012 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: May 2, 1986 - EOD

Related Commission Minutes: July 10, 1923; December 8, 1925; December 1, 1942; January 10, 1950; May 2, 1986; January 14, 2006-EOD; January 12, 2011-EOD; April 3, 2012-EOD, November 7, 2013 – Comprehensive Policy Review.

### **BRIDGE INSPECTIONS – LOCAL AGENCY BRIDGES – See “State and Local Entities.”**

### **BRIDGE WEIGHT AND SPEED LIMIT POSTINGS**

Related Statute: Section 227.080 RSMo, Certain bridges part of highway system (1949)  
Section 227.110 RSMo, Specifications for highway system (1939)  
Section 304.180 RSMo, Regulations as to weight allowed on bridges. (2001)  
Section 304.210 RSMo – Reduction of maximum weights by highways and transportation commission (1939)

Section 304.180.4, RSMo 2000, authorizes the Commission to establish maximum weight limits and speed limits for vehicles using bridges where the commission finds the legal weights may endanger the bridge or the users of the bridge. In keeping with Section 304.180.4, RSMo 2000, the Commission delegates its authority to establish maximum bridge weight and speed limits to the Chief Engineer, Assistant Chief Engineer, or State Bridge Engineer, and further directs them to give notice to motorists by posting signs at conspicuous places at each end of such bridge.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: 1963-1986 - Numerous actions pertaining to approval of bridge capacity reports or specific bridge postings. November 7, 2013 – Comprehensive Policy Review.

This page left blank intentionally.

## **CLOSING HIGHWAYS**

### **CLOSING HIGHWAYS – DELEGATION OF AUTHORITY AND RULES AND REGULATIONS**

**Related Statute:** Section 227.250, Commission may close state highways temporarily

**Related Rule:** [7 CSR 10-2.020 – Traffic Regulation](#)

Section 227.250 RSMo 2000 grants power to the Commission to close state highways temporarily for the purpose of construction or repair and to issue regulations controlling the use of the state highways and all properties related thereto. In keeping with Section 227.250 RSMo 2000, the Commission delegates authority to the Chief Engineer or his designee to immediately close or limit the use of state highways when extraordinary conditions jeopardize the preservation of such roads and/or compromises public safety. Temporary highway closings will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 2, *Traffic Regulations*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: April 8, 1988 – Final rules adopted.  
Supersedes Policy Dated: February 13, 1950  
Last Reaffirmed: November 7, 2013  
Date of Origin: February 13, 1950

Related Commission Minutes: Adm. Rules - February 13, 1950; February 5, 1988; April 8, 1988, November 7, 2013 – Comprehensive Policy Review.

This page left blank intentionally.

## **CONSTRUCTION**

### **BIDDING PROCESS**

**Related Statute:** RSMo 2000, as amended  
Section 227.100 – Publication of notices, where – construction bids – rejection – bond required  
Section 227.102 – Electronic bidding authorized, requirements and criteria – rulemaking authority. (2008)  
Section 227.103 – Annual **bid bond** for construction and maintenance projects authorized – rulemaking authority. (2008)  
Section 290.260 – Public Works Projects – Highway and Transportation Commission

### **AUTHORITY TO RECEIVE AND COMPILE BIDS**

In keeping with Sections 227.102 and 227.100.3, RSMo 2000, the Chief Engineer is authorized to receive bids and bid bonds for any contract for construction, maintenance, repair, or improvement of any bridge or highway on the state highway system electronically via the internet or using paper bids and to develop policies, processes and procedures related thereto. The policies, processes and procedures shall include the opening or compilation of bids.

Effective Date: November 7, 2013  
Supersedes Policy Dated: December 30, 1922  
Last Reaffirmed:  
Date of Origin: December 30, 1922  
Related Commission Minutes: December 30, 1922; November 7, 2013 – Comprehensive Policy Review.

### **COMPETITIVE BIDDING**

Competitive bidding principles will be strictly adhered to for all construction projects, except in emergency situations.

Effective Date: November 7, 2013  
Supersedes Policy Dated: July 9-10, 1951  
Last Reaffirmed:  
Date of Origin: July 9-10, 1951  
Related Commission Minutes: July 9-10, 1951; November 7, 2013 – Comprehensive Policy Review.

### **FAIR LABOR STANDARDS ACT APPLIED TO BOTH FEDERAL AND STATE PROJECTS**

Contractors will be governed by the requirements of the Fair Labor Standards Act of 1938 on all state contracts, whether financed wholly or partially by federal funds or entirely by state funds.

Effective Date: May 8, 1939  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 8, 1939  
Related Commission Minutes: May 8, 1939; November 7, 2013 – Comprehensive Policy Review.

## **ESCROWING BID DOCUMENTS**

### **When Applicable**

The Commission recognizes the unique, difficult, and costly task required of contractors to prepare bids for road and bridge improvements, and, therefore, directs the staff to put in place all processes necessary to preserve the confidentiality of the contractors' bid documents. Escrowing of bid documents will apply for major projects as determined by the Chief Engineer or Assistant Chief Engineer.

### **Execution of Documents**

The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or the State Design Engineer, may execute agreements, affidavits, and related documents and expend funds for costs associated with the rental of safe deposit boxes, and for the opening and closing of escrow accounts using those safe deposit boxes or other secure storage facilities, for the escrow of contractors' and Departmental bidding records, in accordance with the contract language. These staff members may delegate to others under their supervision by written advisory filed with the State Design Engineer.

Effective Date: November 7, 2013

Supersedes Policy Dated: July 7, 1995 and April 3, 2011 – EOD, Paragraph B3d

Last Reaffirmed:

Date of Origin: July 7, 1995

Related Commission Minutes for Execution of Documents: July 10, 2001; \_\_\_\_ January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

Related Commission Minutes for When Applicable: July 7, 1995; November 7, 2013 – Comprehensive Policy Review.

## **PRE-BID INFORMATION AVAILABLE TO PUBLIC**

### **Prospective Bidders**

A list of prospective bidders that have taken out plans and who are willing to be identified will be made available to those who request it.

### **Letting Schedule**

The Department's letting schedule will be provided to the public provided the document clearly states the following: (1) revisions have historically been made in these documents and revisions can be expected to be made in the future; (2) there is no obligation on the part of the Commission to construct the projects listed in the document; and (3) any decision made by the user on the basis of the information contained in the advance letting schedules is made at the user's own risk.

Effective Date: November 7, 2013

Supersedes Policy Dated: Letting Schedule - October 7, 1988; Prospective Bidders – February 15, 1973

Last Reaffirmed:

Date of Origin: Letting Schedule - October 7, 1988; Prospective Bidders – February 15, 1973

Related Commission Minutes: Prospective Bidders - February 9, 1967; April 13-14, 1967; March 7, 1968; February 5, 1970; February 15, 1973; Letting Schedule - October 7, 1988. Combined Policy - November 7, 2013 – Comprehensive Policy Review.



## CLAIMS

### CONTRACTOR CLAIMS AND CLAIMS AGAINST CONTRACTORS

The Chief Engineer shall develop policies, specifications and processes regarding contractor claims and claims made against a contractor. The Commission assumes no responsibility for a claim made by others against the contractor.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### ARBITRATION – MEDIATION – CLAIMS BETWEEN \$25,000 AND APPROXIMATELY \$400,000

**Related Statute:** Section 226.096 RSMo 2000 – Arbitration – Mediation

**Related Rule:** [7 CSR 10-26 – Arbitration and Mediation of Construction Disputes](#)

Policies and procedures required to implement and administer Section 226.096 RSMo, as revised, pertaining to Contractor Claims that exceed \$25,000 but are less than approximately \$400,000 (as determined by the Implicit Price Deflator for Personal Consumption Expenditures pursuant to Section 537.610.5) will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 26, *Arbitration and Mediation of Construction Disputes*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: May 10, 2006 – Final rules adopted.

Supersedes Policy Dated: March 10, 2004 – Final rules adopted.

Last Reaffirmed: November 7, 2013

Date of Origin: March 10, 2004 – Final rules adopted.

Related Commission Minutes: November 4, 2003; March 10, 2004; January 11, 2006; May 10, 2006; November 7, 2013 – Comprehensive Policy Review.

### ARBITRATION AGREEMENTS

Arbitration Agreements in connection with highway construction projects, which are not provided for in a construction contract, may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph B3a

Supersedes Policy Dated: January 11, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: November 3, 1989

Related Commission Minutes: November 3, 1989; July 10, 2001-EOD; December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **CONTRACTOR CLAIMS ADMINISTRATIVE SETTLEMENTS**

The Chief Engineer, Assistant Chief Engineer, and Chief Financial Officer (any one) or their designees, as filed with the State Construction and Materials Engineer, are authorized to settle contractor claims in the amount of \$250,000 or less. The Chief Engineer or Assistant Chief Engineer and the Chief Financial Officer are authorized to concurrently settle contractor claims up to, and including, \$1,000,000. Settlement of claims in excess of \$1,000,000 must be approved by the Commission.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph B3b

Last Reaffirmed:

Date of Origin: September 9, 1994

Related Commission Minutes: September 9, 1994; July 10, 2001-EOD; December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **CONTRACTOR CLAIMS ANNUAL REPORT**

The Commission is to be furnished an annual update on contractor claims, together with an assessment of the activities during the reporting year.

Effective Date: July 1, 1991

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: July 1, 1991

Related commission Minutes: July 1, 1991; November 7, 2013 – Comprehensive Policy Review.

## **CONSTRUCTION CLAIMS NEGOTIATIONS**

Contracts with third party consultants in the amount of \$200,000 or less to provide services in the analysis and resolution of claims by negotiation, as well as in mediations, and the defense of arbitration demands and litigation defense may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph B3c

Supersedes Policy Dated: January 11, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: December 10, 2004

Related Commission Minutes: December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## CONTRACT ADMINISTRATION

### ASSIGNMENT OF ROAD AND BRIDGE CONSTRUCTION CONTRACTS

The Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer may execute documents assigning road and bridge construction contracts from one contractor to another provided (1) the reassignment incurs no additional cost or delay for the Commission, and (2) the original contract bond is not released, cancelled, voided, or terminated, but the surety agrees to keep that performance and payment bond coverage in full force and effect for the new contractor as the successor principal on that contract and bond.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph B3e

Last Reaffirmed:

Date of Origin: June 14, 2006 - EOD

Related Commission Minutes: June 14, 2006-EOD; January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### CONSTRUCTION CHANGE ORDERS

Change orders may be executed as specified in MoDOT's Engineering Policy Guide; however, revisions in the contract amounts meeting any of the three following criteria must have the concurrent approval of the Chief Engineer and Chief Financial Officer OR the Assistant Chief Engineer and the Chief Financial Officer: (1) additions greater than 50% if the original contract amount was \$500,000 or less; (2) additions greater than 25% if the original contract amount was greater than \$500,000; or (3) additions greater than \$1,000,000.

Effective Date: April 3, 2012 – EOD, Paragraph B2

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: May 11, 1942

Related Commission Minutes: May 11, 1942; June 3, 1988; February 10, 1994; October 7, 1994; July 10, 2001; December 10, 2004 (title changes only); January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### CONTRACTOR DRUG TESTING PROGRAM

**Related Rule:** [7 CSR 10-19 – Contractor Drug Testing Program](#)

Commission policies pertaining to the Contractor Drug Testing Program will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 19, *Contractor Drug Testing Program*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: February 5, 1998 – Final rules adopted.

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: February 5, 1998 – Final rules adopted.

Related Commission Minutes: June 6, 1997; November 7, 1997; February 5, 1998; November 7, 2013 – Comprehensive Policy Review.

## **CONTRACTOR TRAINING**

### **Related Statute: Section 292.675, OSHA Construction Safety Program**

*In compliance with Section 292.675, RSMo, which became effective August 28, 2009, the Missouri Highways and Transportation Commission adopted the following Resolution on August 5, 2009.*

### **TEN-HOUR CONSTRUCTION SAFETY PROGRAM SECTION 292.675 RSMo**

WHEREAS, the Missouri General Assembly passed House Bill 390 during the 95<sup>th</sup> General Assembly; and

WHEREAS, effective August 28, 2009, Missouri law (Section 292.675 RSMo) requires that:

1. Awarded contractors and their subcontractors must provide a 10-hour OSHA construction safety program, or a similar program approved by the Department of Labor and Industrial Relations, for their on-site employees who have not previously completed such safety training and are directly engaged in public improvement construction;
2. Awarded contractors and their subcontractors must require all on-site employees to complete this ten-hour program within 60 days of beginning construction work unless they hold documentation on their prior safety training completion; and
3. Awarded contractors must forfeit and the Commission shall withhold/retain penalties assessed in the amount of \$2,500, plus \$100 per contractor/subcontractor employee for each calendar day that each employee is employed beyond the statutory time limits for completion of the required safety training; and

WHEREAS, the Missouri Highways and Transportation Commission, by law, must adopt a resolution to specify the ten-hour construction safety program requirements;

NOW, THEREFORE, LET IT BE RESOLVED that the Missouri Highways and Transportation Commission will specify these statutory requirements for safety training within its notices of bid opening and contract agreements for public improvement construction.

Effective Date: August 5, 2009

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: August 5, 2009

Related Commission Minutes: August 5, 2009; November 7, 2013 – Comprehensive Policy Review.

## **CONTRACT TERMINATION**

The Chief Engineer shall develop procedures, specifications and processes regarding contract termination for the convenience of the Commission. The contractor shall be reimbursed by the Commission for such expenditures, as in the judgment of the Chief Engineer, are not otherwise compensated for, and as are required in preparing for and moving to the work, the intent being

that an equitable settlement shall be made with the contractor. No claim for loss of anticipated profits shall be considered.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013

Related Commission Minutes: October 9-10, 1950; November 7, 2013 – Comprehensive Policy Review.

## **DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

**Related Statute:** Title 49, Code of Federal Regulations, part 26  
Sections 226.900 – 226-910, RSMo 2000

The Commission affirmatively encourages socially and economically disadvantaged owners of companies to participate in contracts and programs administered by the Missouri Department of Transportation with the objective of increasing participation by businesses owned or controlled by disadvantage business enterprises. The Director of the Missouri Department of Transportation is designated as the officer responsible for carrying out this policy. He shall designate a liaison officer and provide adequate support staff to implement this policy on a day-to-day basis, and he will ensure that all reasonable efforts are made within the confines of the federal regulations to aid in meeting the Commission's objective.

Effective Date: November 7, 2013  
Supersedes Policy Dated: July 11, 1980  
Last Reaffirmed:  
Date of Origin: July 11, 1980

Related Commission Minutes: July 11, 1980; November 7, 2013 – Comprehensive Policy Review.

## **DISADVANTAGED BUSINESS ENTERPRISE PROGRAM – RULES AND REGULATIONS**

**Related Rule:** [7 CSR 10-8 – Disadvantaged Business Enterprise Program](#)

Implementation and administration of the Department's Disadvantaged Business Enterprise (DBE) Program will be in keeping with federal statutes and rules (Title 49, Code of Federal Regulations), and Code of State Regulations, Title 7, Division 10, Chapter 8, *Disadvantaged Business Enterprise Program*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: August 9, 2000 – Final rules adopted.  
Supersedes Policy Dated: May 7, 1996 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: December 9, 1988 – Final rules adopted.

Related Commission Minutes: August 5, 1988; December 9, 1988; June 4, 1993; April 3, 1994; July 8, 1994; February 6, 1996; May 7, 1996; May 5, 2000; August 9, 2000; November 7, 2013 – Comprehensive Policy Review.

## **SALES TAX EXEMPTION CERTIFICATES**

**Related Statute:** Section 144.030 RSMo

Agreements with tax exempt entities (including cities, counties, public and private not-for-profit agencies and other charitable organizations) to allow the entities to take advantage of their sales tax exemption on materials used on roadway construction projects significantly funded by the local entities may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, General Services Director, or the Central Office General Services Managers. These staff members may delegate to others under their supervision by written authority filed in the respective division. The sales tax exemption certificate approved by the Missouri Department of Revenue will be included in the contract documents for MoDOT administered projects.

Effective Date: April 3, 2012 – EOD, Paragraph B10

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: June 4, 1999

Related Commission Minutes: June 4, 1999; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **STANDARD SPECIFICATIONS**

Section 227.110, RSMo 2000, as revised, states that the state highway system shall be constructed in accordance with specifications. In keeping therewith, the Commission charges the Chief Engineer with the responsibility for preparation and upkeep of a publication containing requirements for material, equipment, construction, and other matters related to construction of Missouri's transportation infrastructure; however, in those cases where the Commission has adopted a specific policy, the provisions of the standard specifications will be in conformance therewith. This publication shall be made easily accessible to the public via the Internet and such other means deemed by the Chief Engineer to be beneficial to the public and MoDOT business partners.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## CONTRACT AWARDS

### AWARD OF CONSTRUCTION CONTRACTS

Related Statute: Section 227.100, RSMo 2000, as amended – Construction Bids

The Commission shall approve bids and award all roadway and bridge contracts, except as otherwise specifically designated by the Commission in subparagraphs a and b below. Commission awarded contracts may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

- a. **Emergency Work:** The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and the respective District Engineer (any one) are authorized to execute contracts for emergency roadway, bridge, and/or other transportation facility repairs, structure demolition, and/or services necessary for the benefit of public safety.
- b. **Maintenance by Contract:** The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and the State Maintenance Engineer (any one) are authorized to determine the responsiveness of bids requested and award and execute roadway maintenance contracts in the amount of \$200,000 or less.

Effective Date: April 3, 2012 – EOD, Paragraph B1

Supersedes Policy Dated: January 12, 2011 – EOD

Last Reaffirmed: November 7, 2013

Date of Origin: July 10, 2001; Emergency Work – January 13, 1989; Maintenance by Contract – October 6, 1995

Related Commission Minutes: January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

(Authority to sign Commission-awarded contracts – EOD - July 10, 2001-first effective);

(Emergency Work – January 13, 1989 – EOD Comprehensive Update-first effective)

(Maintenance by Contract -March 10, 1995 trial period; October 6, 1995-first effective)

### STAFF RECOMMENDATIONS ON BID AWARDS CONFIDENTIAL

Staff recommendations pertaining to the award of construction contracts will not be revealed to the public or media prior to the Commission meeting wherein the Commission will act thereon.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: March 12, 1999; November 7, 2013 – Comprehensive Policy Review.

## CONTRACT BOND

### BONDING COMPANIES

The Commission has discretion to determine acceptability of bonding companies; however, no bonding company will be acceptable to the Commission unless it appears in the United States Department of Treasury Circular 570 entitled, “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies.” No single bond will be allowed to exceed the underwriting limitations contained in Circular 570.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 7, 1989

Last Reaffirmed:

Date of Origin: April 7, 1989

Related Commission Minutes: Acceptable Bonding Companies - April 7, 1989 and Bonding Companies

Disallowed-April 7, 1989; November 7, 2013 – Comprehensive Policy Review.

### CONTRACT BOND REQUIREMENT

**Related Statute:** Section 107.170.2 RSMo – Bond – public works contractor.  
Section 227.100.4 RSMo – Performance Bonds  
Section 227.103 RSMo – Annual bid bond for construction and maintenance projects authorized – Commission authorized to promulgate rules. (2008)

*State legislation effective July 9, 1925, instructed all commissions making contracts for public work of any kind to be performed for the State to require every contractor for such work to execute a bond to the State with good and sufficient sureties.*

From and after July 9, 1925, all bonds covering contracts for the construction of state highways accepted by this Commission shall be in the form and manner required by Section 107.170, RSMo 2000, as revised. The form of contract bond to be accepted on contracts covering said projects shall be as provided in the contract document.

Effective Date: November 7, 2013

Supersedes Policy Dated: June 16, 1925

Last Reaffirmed:

Date of Origin: June 16, 1925

Related Commission Minutes: June 16, 1925; November 7, 2013 – Comprehensive Policy Review.



## **CONTRACTOR DISQUALIFICATION**

### **CONTRACTOR DISQUALIFICATION REQUIRES COMMISSION ACTION**

The Chief Engineer shall present the proposed recommendations and findings regarding the disqualification of the contractor to the Commission. The Commission shall act on the proposed findings and recommendations as it deems appropriate under the circumstances, based on the record consisting of the written recommendations of the Division Engineer or Director, the written findings and recommendations, and the written appeal of the contractor. No hearing shall be held by or for the Commission on the findings and recommendations. The Commission shall affirm, reject, modify, or remand the findings and recommendations.

Effective Date: March 6, 1997

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: March 6, 1997 – Final rules adopted.

Related Commission Minutes: December 5, 1996; March 6, 1997 – Administrative Rules; November 7, 2013 – Comprehensive Policy Review.

### **CONTRACTOR DISQUALIFICATION FOR MISCONDUCT – RULES AND REGULATIONS**

**Related Rule:** [7 CSR 10-18 – Contractor Disqualification for Misconduct](#)

Contractor Disqualification for Misconduct will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 18, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: March 6, 1997

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: March 6, 1997 – Final rules adopted.

Related Commission Minutes: December 5, 1996; March 6, 1997 – Administrative Rules; November 7, 2013 – Comprehensive Policy Review.

## CONTRACTOR PREQUALIFICATION

*The Commission has historically taken its responsibility to ensure that low bidders on highway construction projects will be able to provide a quality product within a reasonable period of time. Over the years various prequalification measures were put in place that would limit both the construction firm's ability to bid and the amount of work it could undertake. On January 13, 1989, the Commission agreed with the staff to develop a formal method to review and rate a contractor's performance. This rating system would, in turn, be used to recognize contractors with exceptional performance and disqualify contractors for unsatisfactory performance.*

### CONTRACTOR PERFORMANCE TO DETERMINE RESPONSIBILITY – RULES AND REGULATIONS

**Related Rule:** [7 CSR 10-10, Contractor Performance Rating to Determine Responsibility](#)

Contractor performance to determine responsibility will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 10, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: April 7, 2007 – Final rules adopted.  
Supersedes Policy Dated: March 7, 2003 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: April 4, 1991 – First final rules adopted.  
Related Commission Minutes: January 13, 1989; First rules filed December 7, 1990; Last rules filed April 11, 2007; November 7, 2013 – Comprehensive Policy Review.

### CONTRACTOR PREQUALIFICATION – PROJECTS EXCEEDING \$2 MILLION – RULES AND REGULATIONS

**Related Statute:** Section 227.105 RSMo 2000 – Prequalification of contractors for projects exceeding \$2 million. (1996)

**Related Rules:** [7 CSR 10-15, Contractor Prequalification](#)

Contractor prequalification to bid on projects exceeding \$2 million will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 15, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 8, 1996 – Final rules adopted.  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: November 8, 1996 – Final rules adopted.  
Related Commission Minutes: August 9, 1996; November 8, 1996; November 7, 2013 – Comprehensive Policy Review.

## PROJECT SIZE AND PHASE

*Prior to 2002, for those projects longer than ten miles, Section 227.100 required bids to be taken on ten-mile sections, as well as the project as a whole, to ensure the most economical construction.*

### CHIEF ENGINEER AUTHORIZED TO DETERMINE PROJECT LENGTH AND PHASE

The Chief Engineer is authorized to divide construction projects by length and by phase of work to allow greater competition and take best advantage of federal highway dollars.

Effective Date: July 10, 1992  
Supersedes Policy Dated: October 7, 1988  
Last Reaffirmed: November 7, 2013  
Date of Origin: October 8-9, 1951 (Phase)  
Related Commission Minutes: October 8-9, 1951; October 7, 1988; July 10, 1992; November 7, 2013 – Comprehensive Policy Review.

### DESIGN-BUILD PROJECTS

*Legislation was enacted in 2004 allowing the Design-Build contracting process to be used for a MoDOT project. The first project using this process was the I-64 Reconstruction project in St. Louis, which was completed in 3-1/2 years at a cost of \$523 million. The project came in \$12 million under budget and three months ahead of schedule. The project involved a joint venture of three prime contractors and one main design company cooperatively bidding under the name of Gateway Constructors. The contractors' innovative approach included the complete closure of two five-mile sections of I-64 with each section closed for one full year. Had the project been built using the normal process it would have taken six to ten years to complete with constant construction impacts and inconvenience to motorists. Legislation limits the use of design-build to two percent of the total number of all state highway system projects listed in the Commission approved Statewide Transportation Improvement Program for that state fiscal year. The design-build statutory provisions sunset in 2018.*

### DESIGN-BUILD PROJECTS – RULES AND REGULATIONS

**Related Statute:** Section 227.107, RSMo Supp 2004 – Design-Build Contracts

**Related Statute:** Section 227.107, RSMo Supp 2004 – Design-Build Contracts  
[7 CRS 10-24 – Design-Build Contract Projects](#)

Projects involving the design-build concept will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 24, *Design-Build Contract Projects*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 9, 2005 – Final rules adopted.  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: November 9, 2005 – Final rules adopted.

Related Commission Minutes: August 12, 2005; October 24, 2005; November 9, 2005; Legislative extension of sunset - July 13, 2011; November 7, 2013 – Comprehensive Policy Review.

## TECHNICIAN CERTIFICATION PROGRAM

### TECHNICIAN CERTIFICATION PROGRAM – RULES AND REGULATIONS

**Related Rule:** [7 CSR 10-23, Technician Certification Program](#)

Code of Federal Regulations, Title 23, Ch. 1, Part 637

The manner in which individuals may become certified or recertified as qualified sampling and testing technicians as required by federal regulations at Title 23 Code of Federal Regulations, Ch. 1, Part 637, will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 23, *Technician Certification Program*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: March 4, 2009 – Final rules adopted.  
Supersedes Policy Dated: September 6, 2002 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: September 6, 2002 – Final rules adopted.

Related Commission Minutes: Administrative Rules: May 3, 2002; September 6, 2002; November 7, 2008; March 4, 2009; November 7, 2013 – Comprehensive Policy Review.

## CONSULTANT ENGINEERING SERVICES

**Related Statutes:** Section 8.285 – 8.291, RSMo 2000 (Effective 1983) – Contracts for engineering services. Qualifications – negotiations.  
**Related Rule:** 23 CFR 172.3 (Brooks Act)

### CONSULTANT ENGINEERING SERVICES

The Chief Engineer shall develop and implement policies and processes regarding the procurement and contract administration of consultant engineering services and approve contracts therefor. All policies and processes will be in keeping with Chapter 8 of the Revised Statutes of Missouri and 23 CFR 172.3 pertaining to the procurement of engineering services. A monthly report shall be provided to the Commission that indicates all current contracts and contracts executed within the previous month.

- **Consultant Engineer Services – STIP – Negotiated Contract**  
Contracts for engineering services on projects identified in the Statewide Transportation Improvement Program (STIP) may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer provided the contract has been selected in keeping with provisions of Chapter 8 of the Revised Statutes of Missouri pertaining to retaining engineering services.
- **Consultant Engineering Services – STIP - Hourly Rate**  
Master agreements for hourly rate professional engineering services for STIP projects may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer. The Director, Chief Engineer, Chief Financial Officer, Division heads, or District Engineers (any one) may execute individual Memorandums of Understanding limited to \$200,000 per project number per district and \$200,000 per project number per division for services to be performed in his/her respective district or division under the terms of the master agreement. Master agreements generally have a term of three years and contain a one-year extension option based on the consultant's performance.
- **Consultant Engineering Services – Statewide Contracts - Non-STIP - Hourly Rate**  
Master agreements for hourly rate professional engineering services for non-STIP projects may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer. The Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, District Engineers, or Division heads may execute individual Memorandums of Understanding limited to \$200,000 per project for services to be performed in his/her respective district or division under the terms of the master agreement. Master agreements generally have a term of three years and contain a one-year extension option based on the consultant's performance.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph B4a-Negotiated; B4b-STIP-Hourly Rate; C5-Non-STIP Hourly Rate  
Last Reaffirmed:

Date of Origin: September 1, 2000- Negotiated; April 7, 2000-STIP and Non-STIP Hourly Rate

Related Commission Minutes: June 5, 1998; April 7, 2000; September 1, 2000; July 10, 2001; July 12, 2002; April 4, 2003; November 4, 2009; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **ASSIGNMENT OF CONSULTANT ENGINEERING CONTRACTS**

The Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer may execute documents assigning engineering consultant contracts from one consultant to another.

Effective Date: April 3, 2012 – EOD, Paragraph B3e

Supersedes Policy Dated: January 11, 2012 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: January 11, 2011 - EOD

Related Commission Minutes: January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **MATERIALS STANDARDIZATION SERVICES**

Agreements with the AASHTO Materials Reference Laboratory for materials standardization services may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph C4

Supersedes Policy Dated: June 2, 1995 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: January 13, 1989 - EOD

Related Commission Minutes: January 13, 1989; June 2, 1995; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## HIGHWAY BEAUTIFICATION

**Related Statutes:** Billboards (Outdoor Advertising)-Sections 226.500 through 226.600 RSMo  
Junkyards - Sections 226.650 through 226.720 RSMo  
Beautification and Rest Areas – Sections 226.750 – 226.801 RSMo

*While there were limited Federal regulations, state statutes, and Commission actions pertaining to roadside beautification in the early 1930s and 1940s, the controversial Highway Beautification Act signed by President Lyndon B. Johnson on October 22, 1965, brought about the greatest focus on the appearance of roadsides. This act called for control of outdoor advertising along the Interstate System and the Federal-aid Primary System. It also required removal or screening of junkyards located along interstate and primary routes and it encouraged scenic enhancement and roadside development. Enactment of the act was controversial at the time because it diverted funds previously dedicated to construction and maintenance of highways to roadside beautification.*

## HIGHWAY BEAUTIFICATION

The Commission desires to provide a highway system that allows the motoring public to have both a safe and pleasurable traveling experience. Toward that end the Commission directs the MoDOT staff to give thorough consideration to practical aesthetics treatments during the design of new highway facilities and improvements to existing highway facilities, in addition to adhering to federal and state statutory provisions related to highway beautification.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## JUNKYARDS

*Following enactment of the Highway Beautification Act of 1965, the Missouri General Assembly, during a special session, repealed prior legislation related to junkyards and enacted new statutes (Sections 226.650 through 226.720) regulating and restricting or prohibiting the establishment, operation, and maintenance of junkyards in areas adjacent to the interstate and primary systems of highways in Missouri. (That legislation was effective August 6, 1966.) In turn, on July 14, 1966, the Commission filed Administrative Rules for implementing and administering the provisions of the statutes.*

## **JUNKYARDS – RULES AND REGULATIONS**

**Related Statutes:**      **Sections 226.650 through 226.720 RSMo**

**Related Rule:**          [7 CSR 10-5 - Junkyards](#)

Implementation and administration of statutes regulating and restricting or prohibiting the establishment, operation and maintenance of junkyards in areas adjacent to the interstate and primary systems of highways will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 5, *Junkyards*, as approved by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date:            July 14, 1966-Rules filed.  
Supersedes Policy Dated:  
Last Reaffirmed:        November 7, 2013  
Date of Origin:          July 14, 1966-Rules filed.

Related Commission Actions: Adm. Rules-July 14, 1966; November 7, 2013 – Comprehensive Policy Review.

## **JUNKYARD PERMITS**

Junkyard permits may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, or others designated by the Right-of Way-Director.

Effective Date:            April 3, 2012 – EOD, Paragraph G9b  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed:        November 7, 2013  
Date of Origin:          July 14, 1966

Related Commission Actions: July 14, 1966-Original; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **OUTDOOR ADVERTISING (BILLBOARDS)**

*The Highway Beautification Act of 1965 brought about the greatest national focus on the appearance of roadsides. In addition to encouraging scenic enhancement and roadside development and removal or screening of junkyards located along interstate and primary route, the Act called for control of outdoor advertising along the Interstate System and the Federal-aid Primary System.*

## **OUTDOOR ADVERTISING**

The Commission endorses the General Assembly's declaration as stated in Section 226.500 RSMo (2012) that outdoor advertising is a legitimate commercial use of private property adjacent to the Interstate and Primary Highway Systems and that it is necessary to regulate and control same to promote highway safety, to promote convenience and enjoyment of highway travel, and to preserve the natural scenic beauty of highways and adjacent areas.



Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **OUTDOOR ADVERTISING – RULES AND REGULATIONS**

**Related Statutes:** Sections 226.500 - 226.600, RSMo 2000 - Outdoor Advertising (Billboards)

**Related Rule:** [7 CSR 10.6 – Outdoor Advertising](#)

Section 226.500, RSMo (2012) states, “...erection and maintenance of outdoor advertising in areas adjacent to the Interstate and Primary Highway Systems [shall] be regulated in accordance with Sections 226.500 to 226.600 and rules and regulations promulgated by the Highways and Transportation Commission pursuant thereto...” In compliance with that provision, implementation and administration of statutes regulating outdoor advertising adjacent to the Interstate and Primary systems of highways shall be in keeping with State Code of Regulations, Title 7, Division 10, Chapter 6, *Outdoor Advertising*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: February 6, 2008 – Final rules adopted.  
Supersedes Policy Dated: May 9, 2007 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: March 16, 1972 – Initial rules approved for filing.

Related Commission Minutes: March 16, 1972 - Initial rules approved for filing; May 9, 2007 – Final rules adopted; last revision February 6, 2008 – Final rules filed; April 2, 2013 – tabled; July 9, 2013 – Proposed rules tabled; October 2, 2013- Proposed rules. November 7, 2013 – Comprehensive Policy Review; February 11, 2014 – Final..

## **OUTDOOR ADVERTISING PERMITS**

Outdoor advertising permits may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, or others designated by the Right-of Way-Director.

Effective Date: April 3, 2013-EOD, Paragraph G9b  
Supersedes Policy Dated: January 12, 2011-EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: August 18, 1972-EOD

Related Commission Minutes: August 18, 1972-EOD; \_\_\_\_\_ January 12, 2011-EOD; April 3, 2013-EOD; November 7, 2013 – Comprehensive Policy Review.

## REST AREAS

*The Commission first authorized the construction of rest areas along Missouri's Interstate Highway System on December 17, 1962. While state statutes permit the use of condemnation to acquire property needed for rest areas, it prohibits the use of state funds for rest areas. Prior to the 1982 Surface Transportation Act, federal law prohibited commercial activity in rest areas. State statutes continue to prohibit the Commission from operating any commercial facilities in rest or recreation areas; however, the statutes give preference to the Bureau of the Blind to operate vending machines on state property.*

*In 1987, the Commission outsourced maintenance of rest areas to sheltered workshop. In 2004 the Commission expressed its endorsement of agreements with the sheltered workshops, not only to save money on rest area cleaning, but also to provide meaningful, productive work for Missourians whose employment opportunities may be limited. This positive arrangement continues today.*

*In keeping with a rest area renovation plan developed in cooperation with the Division of Tourism, Federal Motor Carrier Safety Administration, Federal Highway Administration, and the Missouri State Highway Patrol, old rest areas are being converted to new welcome centers or truck parking only facilities. Since 2002 available parking for commercial truck drivers has increased to 1027 spacing, nearly double the previous capacity. When the plan is complete, motorists will be able to take advantage of 24 facilities at 16 different locations along the interstate; however, completion of the plan is dependent upon future funding.*

### REST AREA PLAN

**Related Statute:**      **Sections 8.700 – 8-745, RSMo 2000** – Blind persons to have priority in operation of vending facilities.  
                                 **Section 226.750-226.790, RSMo 2000** – Beautification, rest, recreational areas authorized – commercial facilities prohibited.

The Director shall develop and maintain a plan to modernize rest areas, welcome centers, and truck parking along the Interstate Highway System. This plan will be developed in cooperation with the Division of Tourism, Federal Motor Carrier Safety Administration, Federal Highway Administration, and the Missouri State Highway Patrol.

Effective Date:                      November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin:                      November 7, 2013

Related Commission Minute: August 3, 2011; November 7, 2013 – Comprehensive Policy Review.

### REST AREA CUSTODIAL SERVICE

In order to provide meaningful, productive work for Missourians whose employment opportunities may be limited, the Director is directed to provide opportunities for custodial work

in rest areas to sheltered workshops with a current certificate of authority with the Missouri Department of Elementary and Secondary Education. The Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer may approve and execute rest area maintenance agreements and amendments thereto.

Effective Date: November 7, 2013

Supersedes Policy Dated: March 3, 2000

Last Reaffirmed:

Date of Origin: March 3, 2000

Related Commission Minute: March 3, 2000; November 7, 2013 – Comprehensive Policy Review.

## **REST AREA VENDING**

**Related Statute: Sections 8.700 – 8-745, RSMo 2000 – Blind persons to have priority in operation of vending facilities.**

### **Food and Beverage Vending**

In keeping with state statutes giving preference to the Bureau of the Blind to operate vending operations on state property, the Bureau of the Blind may install food and beverage vending machines in rest areas and tourist information centers. All proceeds will be received by the Bureau of the Blind who will provide for the construction and maintenance of the vending facilities. The Commission will be reimbursed for the cost of electricity and will be held harmless from any damages occurring from the construction and operation of the vending facilities. Signing, including a telephone number and address for the Bureau of the Blind, will be installed to indicate the Bureau is realizing all proceeds and it, alone, is responsible for damages and losses.

### **Newspaper Vending**

The Bureau of the Blind has preference in providing vending operations in rest areas; however, it is not interested in pursuing the sale of newspapers and has waived its right to do so. The Association of Sheltered Workshops has agreed to administer the newspaper vending program with all fees going to the Association of Sheltered Workshop Managers for distribution to the sheltered workshop that maintains the respective rest area. The Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer (any one signature) may execute contracts with the Missouri Association of Sheltered Workshops pursuant to law and Commission regulations concerning publication vending in Commission rest areas.

### **Newspaper Vending – Rules and Regulations**

Related Rule: [7 CSR 10-16 – Rest Areas](#)

Newspaper vending in rest areas will be permitted in keeping with Code of State Regulations, Title 7, Division 10, Chapter 16, *Rest Areas*, as approved by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 7, 2013

Supersedes Policy Dated: Food and Beverage - August 1, 1986; Newspaper - June 2, 1989, and January 17, 1997

Last Reaffirmed:

Date of Origin: Food and Beverage – August 1, 1986; Newspaper - June 2, 1989, and January 17, 1997

Related Commission Minutes: Food and Beverage Vending – August 1, 1986; Bureau of Blind waived right for newspaper vending - June 2, 1989; Delegation of authority to execute newspaper vending contracts - January 17, 1997. Combined Policies - November 7, 2013 – Comprehensive Policy Review.

### **Rules and Regulations**

Effective Date: November 3, 2010 – Final rules adopted.  
Supersedes Policy Dated: April 3, 1996 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: April 3, 1996 – Final rules adopted.  
Related Commission Minutes pertaining to administrative rules; January 12, 1996 and April 3, 1996; July 1, 2010 and November 3, 2010; Statement of Actual Cost - August 8, 2012; November 7, 2013 – Comprehensive Policy Review.

## **ROADSIDE MANAGEMENT**

### **ADOPT-A-HIGHWAY PROGRAM**

*The Adopt-A-Highway Program involves more than 4,000 groups comprised of 40,000 volunteers performing litter pickup on more than 5,800 miles of roadway.*

An Adopt-A-Highway Program will be established whereby individuals or organized groups will be allowed to adopt sections of highway, thereby assuming responsibility for litter pickup, mowing, beautification or any combination of these.

Effective Date: August 14, 1987  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: August 14, 1987  
Related Commission Minutes: August 14, 1987; November 7, 2013 – Comprehensive Policy Review.

### **ADOPT-A-HIGHWAY PROGRAM AGREEMENTS**

Agreements allowing participation in the Adopt-A-Highway Program may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Maintenance Engineer, or respective District Engineer. The Director, Chief Engineer, Chief Financial Officer, or State Maintenance Engineer may deny applications to participate in the Adopt-A-Highway Program.

Effective Date: April 3, 2012 – EOD, Paragraph G1  
Supersedes Policy Dated: January 12, 2011  
Last Reaffirmed: November 7, 2013  
Date of Origin: August 14, 1987  
Related Commission Minutes: August 14, 1987; July 10, 2001-EOD; December 1, 2004 - EOD; January 12, 2011 – EOD; April 3, 2012 – EOD; November 7, 2013 – Comprehensive Policy Review.

## **ADOPT-A-HIGHWAY – RULES AND REGULATIONS**

**Related Rule:** [7 CSR 10-14 – Adopt-A-Highway](#)

Implementation and administration of the Adopt-A-Highway Program are in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 14 as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: May 10, 2006 – Final rules adopted.  
Supersedes Policy Dated: May 3, 2002 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 5, 1995 – Final rules adopted.  
Related Commission Minutes: February 3, 1995; May 5, 1995; February 4, 2000; July 7, 2000; October 4, 2000; January 4, 2002; May 3, 2002; January 11, 2006; May 10, 2006; November 7, 2013 – Comprehensive Policy Review.

## **VEGETATION CONTROL**

### **MOWING**

A “good neighbor” philosophy is to be applied to mowing operations to insure roadsides are managed in such a way as to complement adjoining properties.

Effective Date: March 6, 1987  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: March 6, 1987

Related Commission Minutes ; March 6, 1987; August 11, 1995; November 7, 2013 – Comprehensive Policy Review.

## **PLANT COLLECTION FROM RIGHT OF WAY – RULES AND REGULATIONS**

**Related Statute:** Section. 229.475 – 229.481 RSMo 2000 (1993) – Removal of Plants from Highways

**Related Rule:** [7 CSR 10-13 - Plant Collection from Right-of-Way](#)

Implementation and administration of Sections 229.475 – 229.481 RSMo 2000 (1993), *Removal of Plants from Highways*, will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 13, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: September 13, 1996 – Final rules adopted.  
Supersedes Policy Dated: February 3, 1995 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: February 3, 1995 – Final rules adopted.  
Related Commission Minutes: September 9, 1994; February 3, 1995; June 5, 1996; September 13, 1996; November 7, 2013 – Comprehensive Policy Review.

## **ROADSIDE PARKS**

*Missouri's first Roadside Park was approved by the Commission at its May 13-14, 1946, meeting. The park was located on 2.8 acres of land lying on the west side of Route 61 north of Benton, Scott County. The land was donated by C. E. Felker with the understanding it would be used as a roadside park in memory of his son, Clarence E. Felker. Equipped with picnic tables and sometimes fireplaces for cooking, roadside parks were used extensively by motorists in the 1950s and 1960s. With the construction of four-lane facilities, capability for traveling at higher speeds, and construction of rest area facilities, the use of roadside parks has significantly diminished.*

### **ROADSIDE PARKS**

The Commission acknowledges that the use of roadside parks by the traveling public for rest and rejuvenation during extended periods of travel has significantly declined. As the cost to maintain a roadside park exceeds the benefit to the traveling public, the park will be closed and the property disposed of in the manner the Chief Engineer deems to be most appropriate for each specific location.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **HIGHWAY SAFETY**

*In keeping with Executive Order 03-05, the Missouri Division of Highway Safety and the Motor Carriers Safety Assistance Program transferred from the Department of Public Safety to MoDOT effective August 28, 2003. The staff from the Division of Highway Safety was located with the traffic engineering staff. This merger has proven to be very effective with significant safety features being incorporated into the highway system, such as guard cable and rumble stripes. Since 2003, highway fatalities have decreased significantly. Missouri's current strategic highway safety plan was developed in collaboration with MoDOT's safety partners. The contents of the plan are included in MoDOT's Engineering Policy Guide, Section 132.2.*

### **HIGHWAY SAFETY**

Related Statute: Section 226.150, RSMo

The Commission deems the safety of those traveling on Missouri highways to be one of its greatest responsibilities. Therefore, the Director is authorized to develop partnerships with entities having like responsibility for, and/or interest in, highway safety and to work with those partners in the development of a plan that identifies highway safety problems and countermeasures to reduce fatalities, injuries, and property damage resulting from accidents on Missouri roadways. The Director and Chief Engineer are further authorized to implement educational, promotional, and engineering solutions designed to increase safety of those traveling on Missouri highways.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### **HIGHWAY SAFETY PROGRAM OPERATIONS – Execution of Documents**

Any document, other than those contemplated by the Commission-approved appropriation in the respective fiscal year's operating budget, necessary to fulfill the responsibilities of the Highway Safety Program and the Motor Carrier Safety Assistance Program may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or Highway Safety Director. These staff members may delegate to others under their supervision by written advisory filed with the Traffic and Highway Safety Division-Office of Highway Safety.

Effective Date: April 3, 2012 – EOD, Paragraph G4

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: December 10, 2004 - EOD

Related Commission Minutes: December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **BREATH ALCOHOL IGNITION INTERLOCK DEVICE CERTIFICATION AND OPERATIONAL REQUIREMENTS**

**Related Statute:** Section 577.608, RSMo 2000 – Ignition Interlock Device Certification

**Related Rule:** [7 CSR 60-2 - Breath Alcohol Ignition Interlock Device Certification](#)

The certification process for manufacturers and sellers of breath alcohol ignition interlock devices will be in keeping with the Code of State Regulations, Title 7, Division 60, Chapter 2, *Breath Alcohol Ignition Interlock Device Certification and Operational Requirements*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: December 2, 2013 – Final rules adopted.

Supersedes Policy Dated: August 4, 2010 – Final rules adopted.

Last Reaffirmed: November 7, 2013

Date of Origin: September 2, 2009 – Final rules adopted.

Related Commission Minutes: ADM RULES: May 6, 2009; September 2, 2009; April 7, 2010, August 4, 2010; March 6, 2013; July 9, 2013-Final rules adopted; November 7, 2013 – Comprehensive Policy Review; December 2, 2013 (Final rules that were approved July 9, 2013, were revised and readopted as final rules).

## **MOTORCYCLE SAFETY EDUCATION PROGRAM**

**Related Statute:** Section 302.134, 302.135, and 302.137 RSMo

**Related Rule:** [7 CSR 60.1, Motorcycle Safety Education Program](#)

The rules and regulations which pertain to the administration and operations of the Motorcycle Safety Education Program will be in keeping with the Code of State Regulations, Title 7, Division 60, Chapter 1, *Motorcycle Safety Education Program*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: August 28, 2003 – Rules transferred to Department of Transportation

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: August 28, 2003 – Rules transferred to Department of Transportation

Related Commission Minutes: ADM Rules: Rules filed to date (July 2012) were filed by the Department of Public Safety. November 7, 2013 – Comprehensive Policy Review.



## **DRIVER IMPROVEMENT PROGRAM – RULES AND REGULATIONS**

**Related Statute:** Section 302.302.5 RSMo

**Related Rule:** [11 CSR 30-3 - Driver Improvement Program](#)

The standards established for the approval of driver improvement programs will be in keeping with the Code of State Regulations, Title 11, Division 30, Chapter 3, *Driver Improvement Program*.

Effective Date: August 28, 2003 – Highway Safety transferred to MoDOT

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: August 28, 2003 – Highway Safety transferred to MoDOT

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

(Note: 11 CSR 30-3 has **not** been moved to Title 7 Department of Transportation, Division 60 – Highway Safety Division although the Statute has been changed to reflect the State Highways and Transportation Commission.)

### **WORK ZONES**

*Legislation enacted in 2006 (Senate Bill 872 – Sec. 304.580-304.585), imposed increased fines and assessments for repeated offenses in highway work zones. The legislation creates two additional categories of crime: endangerment of a highway worker and aggravated endangerment of a highway worker. In those cases where highway workers are injured or killed as a result of a work zone crash, a penalty of 12 points will be applied to the motorist's driver's license and the license will be suspended for one year. In addition a \$5,000 fine may be imposed if a worker is injured and a \$10,000 fine may be imposed if a worker is killed.*

### **WORK ZONES**

**Related Statute:** Section 304.580 – 304.585, RSMo (2006)

The Chief Engineer is authorized to establish and implement policies that will allow work zones to be managed in such a way as to minimize danger to the highway and emergency response workers and the traveling public.

(For policy related to approval of speed limits in work zones, see HIGHWAYS – Traffic Controls – Speed Limits.)

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 1996

Last Reaffirmed:

Date of Origin: April 3, 1996 – Agreements for Law Enforcement in Work Zones

Related Commission Actions – Execution of Documents – Agreements for law enforcement - April 3, 1996; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

## **HIGHWAY SYSTEMS**

### **STATE HIGHWAY SYSTEM**

State Road Funds may not be expended on roadways other than those on the State Highway System. The State Highway System can expand or contract through direct or delegated Commission actions. Changes to the system result from Commission approval of the State Transportation Improvement Program (STIP) or other action related to a specific route.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review

### **CHANGES IN ROUTE STATUS**

The Chief Engineer is authorized to approve (1) changes in route status resulting from projects which modify the right-of-way either by acquisition of new right-of-way or by creation of excess right-of-way, and (2) transfer of sections of the existing state highway system to another highway system or change the purpose of the sections even when no right-of-way modifications are involved. Documents pertaining to changes in route status, with the exception of deeds or other documents used to convey real property and/or property rights, may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer or State Design Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph E3  
Supersedes Policy Dated: January 12, 2011  
Last Reaffirmed: November 7, 2013  
Date of Origin: June 5, 1998  
Related Commission Minutes: June 5, 1998-Original; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **HIGHWAY SYSTEM CLASSIFICATIONS**

The Commission recognizes the need to classify certain highways for statutory, planning or operational purposes. The Chief Engineer or his designee shall maintain a record of the State Highway System and be able to produce a map of the system or any subset therein. The classification subsets and specific delegations are as follows:

#### **Highway Systems – Functional Classification**

The Chief Engineer is authorized to determine Missouri's proposed functional classification of roadways and to forward the proposal to the Federal Highway Administration for action thereon. (Functional classifications include Interstate; Freeways and Expressways; Other Principal Arterial; Minor Arterials; Major Collector; Minor Collector; and Local.) The Federal Highway Administration designates the National Highway System, which is composed of the Interstate; Freeways and Expressways; and Other Principal Arterial highway systems.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Actions: March 5, 1993; January 5, 1994; November 7, 2013 – Comprehensive Policy Review.

### **Highway Systems – Long Vehicles**

In keeping with Section 304.170, RSMo, as amended, the Chief Engineer is authorized to designate and amend a system of highways over which long vehicles may travel. This system of highways will be within the provisions of the Code of Federal Regulations.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: September 14-15, 1972; April 1, 1983; May 6, 1983; June 10, 1983; September 5, 1986; February 6, 1987; September 2, 1988; October 5, 1990; August 2, 1991; January 3, 1992; August 6-7, 1992; October 4, 1994; March 10, 1995; July 7, 1995; February 5, 1998; August 12, 2005; December 8, 2005; November 7, 2013 – Comprehensive Policy Review.

### **Highway Systems – Interstate and Primary System for Outdoor Advertising Purposes**

The Chief Engineer is authorized to designate, on behalf of the Commission, an official system of highways pertaining to outdoor advertising contemplated by Sections 226.500 – 226.600 RSMo 2000, as amended, the Code of State Regulations, and the Code of Federal Regulations.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.  
Related Commission Actions: Interstate and Primary - June 12, 1957; October 14, 1958; September 22, 1967; November 7, 1973; May 12, 1976; February 2, 1979; July 10, 1981. State Primary System for Outdoor Purposes Only- August 1, 1997; July 9, 2013.

### **Highway Systems – Scenic Byways – Rules and Regulations**

**Related Statute:** Section 226.797- 226.801, RSMo, 2000, Scenic roads and highways system established – Commission’s powers and duties.

**Related Rule:** [7 CSR 10-12 – Scenic Byways](#)

The selection of routes to be included in the Scenic Byways System will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 12, *Scenic Byways*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: July 3, 1996  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: August 6, 1993  
Related Commission Actions: ADM RULES – April 2, 1993; June 4, 1993; August 6, 1993; April 3, 1996; July 3, 1996; November 7, 2013 – Comprehensive Policy Review; January 8, 2014 - Proposed.

## **RELINQUISHMENT OF ROADWAYS**

In order to relieve the Commission of liability for abandoned and transferred roadways, the Commission adopted the following criteria for relinquishment of highways:

1. Prior to construction of new facilities, counties or cities must agree to accept quitclaim deeds for the old highway facilities.
2. Old highway facilities will be turned over to counties or cities in good condition. The roadway will be resurfaced, if necessary, just prior to the transfer.
3. The Department will offer counties and cities technical assistance on proper maintenance of old highway facilities.
4. The Department will furnish asphalt patching or resurfacing material to counties or cities at the same cost the Department pays per ton or cubic yard.
5. The Department will not be involved in any other activity, such as drainage and structure maintenance.

Effective Date: May 5, 1989

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: May 5, 1989

Related Commission Minute: May 5, 1989; November 7, 2013 – Comprehensive Policy Review.

## **ROUTE DESIGNATIONS**

The Chief Engineer is authorized to designate all highways on the State Highway System by numbers, letters, or other means. In those cases where concurrence in route designation is required by federal agencies or national organizations, the Chief Engineer is authorized to submit such recommendations to the appropriate entities.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## **STATE PARK ROADS**

*On November 6, 1928, voters adopted a Constitutional Amendment which, among other things, expanded the authority of the Commission to include responsibility for building state highways to and through state parks. In addition, since 1965 the department has maintained State Park Roads that are not on the State Highway System, the cost of which is reimbursed by the Department of Natural Resources (DNR). The Commission's most current ten-year agreement with DNR was executed on August 31, 2011.*

## STATE PARK ROADS

### **Related Statute: Article IV, Section 30(b), Missouri Constitution**

Roads into and through State Parks and on the grounds of State institutions may be included in the State Highway System, but such action will be taken only after the Commission has considered each proposed addition on its individual merits.

Effective Date: August 13, 1945  
Supersedes Policy Dated: April 17, 1940  
Last Reaffirmed: November 7, 2013  
Date of Origin: April 17, 1940  
Related Commission Minutes: State Park Roads – April 17, 1940; August 13, 1945; November 7, 2013 – Comprehensive Policy Review.

## OFFICIAL HIGHWAY MAP

*The first official “looking” highway map was issued by the Commission in 1924, but both a small 1922 map and a 1918 map were issued by the Commission and State Highway Board respectively for the public’s information and convenience. Early distribution of highway maps was via inclusion with automobile license plates. That manner of distribution proved to be excessive, however, and was discontinued in the mid to late 1930s. Approximately 1.5 million maps are distributed annually. Approximately half of those distributions are through the Division of Tourism with the remainder through MoDOT District Offices, Tourist Information Centers, Highway Gardens, Highway Patrol, members of the General Assembly, and individual requests.*

**Related Statute:** Section 226.490 RSMo 2000 – Official highway maps – certain attractions to be designated. (Effective 1985)

In order to assist motorists traveling on highways in Missouri, the Director will oversee preparation, publication and distribution of an Official Highway Map for free distribution to the public. The Official Highway map will be copyrighted. The Director may approve or decline requests for reproduction of the Official State Highway Map, with it being understood that the use of the map would in no way be interpreted as an endorsement of either a product or a service by the Commission.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Actions: Official Highway Map – March 10-11, 1952-Copyright; March 9, 1926; July 12, 1927; March 17, 1950; January 8-9, 1952; March 10-11, 1952; July 15, 1963; November 17, 1967; September 11, 1992 . County Maps – May 13, 1946; December 15-16, 1950; August 13-14, 1951; June 13, 196; November 7, 2013 – Comprehensive Policy Review.

## **HISTORICAL MARKERS**

*The use of roadside parks and the placement of historical markers therein was very popular with travelers in the 1950s. Many of the roadside parks have been closed and in those instances where a historical marker was located therein, it was relocated to a local governmental property or other location acceptable to the historical society.*

### **HISTORICAL MARKERS**

The Chief Engineer is authorized to establish criteria and approve or deny requests for placement of historical and/or memorial markers. *The criteria and process pertaining to such requests are included in MoDOT's Engineering Policy Guide.*

Effective Date: November 7, 2013

Supersedes Policy Dated: November 14, 1952

Last Reaffirmed:

Date of Origin: November 14, 1952

Related Commission Actions: November 14, 1952; Blue Star Memorial Markers - July 10, 1950; October 5, 2001; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.



## **LIMITED ACCESS**

*Article IV, Section 29, of the Constitution, states that the Commission “shall have authority to limit access to, from and across state highways and other transportation facilities.”*

### **LIMITED ACCESS ROADWAYS**

The Commission recognizes that limiting access is an important tool for the safety and operation of state highways. The Commission also recognizes that community and property development opportunities may require changes or breaks in access to state highways where access rights have been purchased. The Commission supports access changes that are not detrimental to the overall design, safety, and operation of the roadway with the appropriate compensation. The Director or his designee is authorized to approve changes in limited access, including breaks in limited access that meet this criteria.

The Chief Engineer shall develop policies and procedures for access changes.

Effective Date: November 7, 2013

Supersedes Policy Dated: February 13, 1997

Last Reaffirmed:

Date of Origin: September 7-8, 1954

Related Commission Actions: March 8-9, 1943; October 8-9, 1945; March 12, 1946; April 10, 1950; November 13-14, 1950; September 7-8, 1954; August 20, 1964; April 14, 1971; January 13, 1989; January 17, 1997; February 13, 1997; November 7, 2013 – Comprehensive Policy Review.

### **LIMITED ACCESS ROADWAYS – Execution of Documents**

Contracts involving changes in access in keeping with the Commission’s policy may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or District Engineers; however, deeds and/or other documents used to convey the property and/or property rights must be executed by the Commission’s Chair or Vice Chair.

Effective Date: April 3, 2012 – EOD, Paragraph E1

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: \_\_\_\_\_

Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

## LOCATION AND DESIGN

### LOCATION AND DESIGN APPROVAL

**Related Statutes:** Section 226.952, RSMo 2000. Approved location of highway corridor, certified copy of corridor map filed where—requirements prior to filing.

In keeping with Section 226.952 RSMo 2000 the Code of Federal Regulations, and the National Environmental Policy Act (NEPA), the Chief Engineer shall develop policies and procedures for the location and design of state highways. These procedures shall require public involvement in the transportation decision making process as appropriate.

The Commission shall approve the location and design for significant projects as defined below:

1. The location of any project requiring the preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS), shall be presented to the Commission for approval following federal approval of the environmental document.
2. The design for all projects requiring substantial amounts of right-of-way shall be presented to the Commission for approval prior to acquisition.

The Chief Engineer is authorized to approve the location and design of highway projects other than those defined in 1 and 2 above.

Effective Date: November 7, 2013

Supersedes Policy Dated: December 4, 1992

Last Reaffirmed:

Date of Origin: December 4, 1992

Related Commission Actions: December 4, 1992; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

## NAMING HIGHWAYS

**Related Statute:** Section 226.440 through 226.465 RSMo 2000, Mississippi River Parkway Commission/Great River Road  
Section 226.792 and 226.796 RSMo, Route 66  
Section 226.800 RSMo – National Historic Trails  
Section 227.295 RSMo - Drunk driving reduction awareness program established – placement of signage (David’s Law) (2009)  
Section 227.297 RSMo – Heroes Way interchange designation program established – signage (Honors Missourians killed in action while performing active military duty in Afghanistan or Iraq on or after September 11, 2001.) (2009)  
Section 227.299 RSMo Memorial bridge or highway designations, procedure (2005)  
Sections 227.300 through 227.500 RSMo– These sections name highways or bridges in honor of a specific person, group, or event.

*In the 1920’s the Commission endorsed the decision of the states to use numbers and letters to designate highways. Although the Commission received many requests to name highways in honor of persons, events, or organizations, it has broken with tradition only six times: Jay B. Dillingham Freeway (May 4, 1984); C. F. “Red” Whaley Expressway (June 1, 1990); Harry Darby Memorial Highway (June 1, 1990); Heart of America Bridge (June 1, 1990); Danny Staples Bridge (September 4, 2003); Chicago-Kansas City Expressway (August 8, 2012). In addition the Alexander Doniphan Memorial Highway (1998) was named under Commission policy requiring only local initiation and support thereof, and the Huckaba Family and Willingham Family Memorial Highway (2009) was named in keeping with a lawsuit settlement.*

*In 1996, however, the legislative process was first used to name a highway. Since that time, over 200 sections of highway have been legislatively named for specific persons, events, or organizations. (See Sections 227.300 through 227.514, RSMo (2012).)*

## NAMING HIGHWAYS

The Missouri Highways and Transportation Commission will not initiate the designation of a highway or bridge in honor of a person, event, or organization; however, highways and bridges that are named by action of the General Assembly will be signed accordingly. Unless otherwise specified by action of the General Assembly, the signs will conform to MoDOT’s policies for sign location, size, shape and color. The applicant requesting the memorial designation will be responsible for the cost of sign manufacture, installation and maintenance, unless otherwise specified by action of the General Assembly.

The Chief Engineer or his designee will maintain a record of all highways named and signed as a result of specific legislative action, through a statutory process, through rules filed by the Commission as a result of a statutory directive, or by Commission action.

Effective Date: November 7, 2013

Supersedes Policy Dated: August 8, 2002

Last Reaffirmed:

Date of Origin: February 6, 1987

Related Commission Actions: February 6, 1987; June 1, 1990; December 2, 1998; August 8, 2002; November 7, 2013 – Comprehensive Policy Review.

## **MEMORIAL HIGHWAYS AND NAMED AREAS (Section 227.299 RSMo, effective 2005)**

*In an effort to reduce the amount of legislative time required to process the many requests for signage, the legislature enacted RSMo Section 227.299 in 2005 which outlines the conditions and process for naming highways. The statutes charge the Joint Committee on Transportation Oversight with the responsibility for approving the requests; MoDOT is charged with the responsibility for receiving the applications and constructing and maintaining the signs; those applying for the sign are charged with the cost thereof. In 2009, the General Assembly approved two additional highway naming programs in memory of (1) individuals killed as a result of a motorists driving while intoxicated (David's Law) and (2) members of the military killed in active duty after September 11, 2001, in Afghanistan or Iraq (Heroes Way).*

## **DRUNK DRIVING RISK REDUCTION AWARENESS PROGRAM – RULES AND REGULATIONS**

**Related Statute:** Section 227.295 RSMo - Drunk driving reduction awareness program established – placement of signage (David's Law) (2009)

**Related Rule:** [7 CSR 10-27 – David's Law Signing](#)

*Legislation implementing a program allowing special signing to be erected in memory of those killed as a result of a drunk driving accident was enacted by the General Assembly in 2009 (RSMo 2000, as amended, Section 227.295, David's Law). The statute charged the Department of Transportation with the responsibility for establishing and administering the "Drunk Driving Risk Reduction Awareness Program." The statutes require the Department to adopt, by rules and regulations, program guidelines for the application for and placement of signs contemplated by the statutes and also to establish application procedures and methods for proving eligibility for the program.*

Implementation and administration of statutes regarding the "Drunk Driving Risk Reduction Awareness Program," (Section 227.295 RSMo effective 2009, David's Law) are in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 27, *David's Law Signing*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State. The Drunk Driving Risk Reduction Awareness Program allows special signing to be erected in memory of those killed as a result of a drunk driving accident

Effective Date: January 6, 2010 – Final rules adopted.

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: January 6, 2010 – Final rules adopted.

Related Commission Minutes: September 2, 2009; January 6, 2010; November 7, 2013 – Comprehensive Policy Review.

## **HEROES WAY INTERCHANGE DESIGNATION PROGRAM**

**(Section 227.297, RSMo effective 2009, Revised in 2011)**

*The Heroes Way Interchange Designation Program legislation is intended to honor the fallen Missouri heroes who have been killed in action while performing active military duty with the armed forces in Afghanistan or Iraq on or after September 11, 2001. The provisions for implementation of the program are included in Section 227.297, RSMo, effective 2009. MoDOT is responsible for receiving the application and giving notice of the proposed signing; the Joint Committee on Transportation Oversight is responsible for approving the application; the applicant is responsible for the cost of constructing and maintaining the signs.*

## **HIGHWAYS NAMED AND SIGNED BY COMMISSION ACTION**

**C. F. “Red” Whaley Expressway** – Route 54 within the city of Jefferson City will be named C. F. “Red” Whaley Expressway in concurrence with recommendations of the local area.  
(June 1, 1990)

**Chicago – Kansas City (C-KC) Expressway** – The Chicago-Kansas City Expressway will be designated and signed as follows: Missouri Route 110 will be designated along Interstate Route 35 and US Route 36, in addition to C-KC Expressway designation by adding Route 110 and C-KC route markers alongside any I-35 and US 36 route shield.  
(January 4, 2012; August 8, 2012)

**Danny Staples Bridge** - The Route 19 Bridge in Eminence is named in honor and memory of former State Senator Danny Staples for his work to improve Missouri’s Transportation System.  
(September 4, 2003)

**Harry Darby Memorial Highway** – Route I-635 from the Missouri State Line to I-29 is named the *Harry Darby Memorial Highway* in concurrence with recommendations from local area.  
(June 1, 1990)

**Heart of America Bridge** – The Route 9, Missouri River Bridge, is named *Heart of America Bridge* in concurrence with recommendations from the local area.  
(June 1, 1990)

**Jay B. Dillingham Freeway** – Interstate Route 670 from 14<sup>th</sup> and Pennsylvania in Kansas City, Missouri, to Interstate 70 in Kansas City, Kansas, a distance of approximately two miles, is named *Dillingham Freeway* in concurrence with recommendations of community and municipal leaders in Kansas City, Missouri, and Kansas City, Kansas.  
(May 4, 1984)

**Alexander Doniphan Memorial Highway** - MO 152 from West I-435 to N Flintlock Road in Clay County is named *Alexander Doniphan Memorial Highway* in concurrence with recommendations from the local area. (Named in keeping with past Commission policy which allowed highways to be named as a result of resolutions from political jurisdictions where it was clearly demonstrated that the individual being honored had demonstrated outstanding service to the nation or state.)  
(1998)

**Huckaba Family and Willingham Family Memorial Highway** – West bound I-44  $\frac{3}{4}$ - mile east of Exit 261, St. Louis County, is named *Huckaba Family and Willingham Family Memorial Highway*. (Named as part of a settlement in a lawsuit.)  
(2009)



## **OPERATIONS**

### **OPERATIONS IMPLEMENTATION – NO COST AGREEMENTS**

Agreements that are not specifically identified in other sections of the MHTC policies and that incur no costs but are necessary to effectively carry out MoDOT operations, may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G8

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin:

Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **DRIVEWAY AND EXCAVATION PERMITS**

Driveway and Excavation Permits may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, respective District Engineer, or others designated by the District Engineer through written advisory to the State Traffic and Highway Safety Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G9a

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin:

Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **INCARCERATED PERSONNEL**

The Director is authorized to expand or amend the program wherein incarcerated personnel are used for highway beautification and maintenance operations. The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or State Maintenance Engineer, may enter into contracts and contract amendments as deemed appropriate by the Director.

Effective Date: November 7, 2013

Supersedes Policy Dated: May 3, 1991

Last Reaffirmed:

Date of Origin: May 3, 1991

Related Commission Actions: May 3, 1991; November 7, 2013 – Comprehensive Policy Review.

### **PROBATION – COURT ORDERED RESTITUTION**

The Director is authorized to establish and administer a program wherein persons who have received court-ordered restitution to earn credit for time spent picking up litter. No supervision or Department employees are involved. The Director, Chief Engineer, Chief Financial Officer, ~~or~~ Assistant Chief Engineer or State Maintenance Engineer may execute documents necessary to implement the program.

Effective Date: November 7, 2013  
Supersedes Policy Dated: July 7, 1989  
Last Reaffirmed:  
Date of Origin: July 7, 1989  
Related Commission Actions: July 7, 1989; November 7, 2013 – Comprehensive Policy Review.

### **LIGHTING CONTRACTS – Execution of Documents**

Contracts for the installation of highway lighting may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or respective District Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G5  
Supersedes Policy Dated: January 12, 2012 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin:  
Related Commission Actions: January 12, 2012-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **MAINTENANCE AGREEMENTS – HIGHWAYS THROUGH CITIES AND TOWNS**

**Related Statute:** Article IV, Section 30(b), Missouri Constitution  
Section 227.070, RSMo 2000

*Prior to 1945, legislation limited construction of state highways through municipalities to those municipalities of less than 2,500 population and to portions of municipalities having more than 2,500 population where the houses abutting the roadway were not less than 200 feet apart on the average. (1921 Centennial Road Law, Sec. 36 (Amended 1949); Section 227.070, RSMo 2000) The local areas participated in the cost of providing a dustless surfaces on these roadways.*

*One of the 1945 revisions to Article IV, Section 30(b) of the Missouri Constitution allowed the Commission to “locate, establish, acquire, construct and maintain . . . any highway in any city or town which is found necessary as a continuation of any state or federal highway, or any connection therewith, into and through such city or town.” Another revision prohibited reimbursements to incorporated cities and towns for money expended by them in the construction or acquisition of roads and bridges which would thereafter be taken over by the Commission.*

*From 1945 through December 15, 1964, the Commission approved policies and executed agreements related to cost sharing between the department and the local areas as it pertained to both maintenance and right of way purchases. (For right-of-way issues, see “Right-of-Way – Local Participation in Right-of-Way Costs.”) Federal funding, which had become available for urban improvements, was considered in these decisions. These decisions were generally advantageous to the local areas.*

## **MAINTENANCE AGREEMENTS – HIGHWAYS THROUGH CITIES AND TOWNS**

**Related Statute:** Article IV, Section 30(b), Missouri Constitution  
Section 227.070, RSMo 2000

Agreements with cities, counties or other political subdivisions pertaining to maintenance of, and regulation of traffic on, any state highway within such cities, counties, or subdivisions may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Maintenance Engineer, or respective District Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G6  
Supersedes Policy Dated: January 11, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: August 11-12, 1952

Related Commission Actions: August 11-12, 1952; January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **RESURFACING CITY STREETS UNDER MAINTENANCE AGREEMENTS**

City streets under a maintenance agreement may be resurfaced by the Commission. The streets so surfaced will not be taken into the State Highway System. The resurfacing will include only that portion of the street being maintained by the Commission. The additional street width and parking areas not covered by the agreement will be financed by the city.

Effective Date: February 18, 1963  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: February 18, 1963  
Related Commission Action: February 18, 1963; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

## RIGHT OF WAY

**Related Statutes:** Section 226.240 – 226.270 – Acquisition of lands, mines, quarries, or other properties for road building or road maintenance material.  
Section 227.120, RSMo (2004) Commission empowered to exercise right of eminent domain  
Chapter 523, (2006) Condemnation Proceedings

***Eminent Domain Reform** – In 2006, the use of eminent domain was widely debated by the legislature as a result of the U.S. Supreme Court decision that allowed the use of eminent domain for economic development purposes. The bill enacted by Missouri’s General Assembly contained two provisions that will increase the cost of acquiring property for roadway improvements (only the higher will apply): (1) Homestead taking, which generally pertains to property on which the property owner lives, will require an amount equal to fair market value plus an additional 25 percent; and (2) Heritage taking, which pertains to property that has been in a single family for 50 or more years, will require an amount equal to fair market value plus an additional 50 percent). The bill also increased the timeframe for acquiring property through the condemnation process.*

## ACQUISITION

### ADMINISTRATIVE SETTLEMENTS

Administrative settlements are an important tool in the acquisition of right-of-way. The Chief Engineer is authorized to develop policies and procedures for the purpose of concluding negotiations for amounts considered reasonable, prudent, and in the best public interest, after reasonable efforts to negotiate agreements at the approved offers have failed.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### CONDEMNATION

**Commission will not pay more than jury verdicts.**

After a landowner has appealed to and obtained a verdict of a jury, the Commission should not, in the absence of reversible error in the trial, volunteer payment of an amount in excess of what twelve disinterested jurymen think proper; and that the adoption of any policy of ignoring jury verdicts, particularly or exclusively when unsatisfactory to the landowner, would increase greatly the difficulty of negotiating for right-of-way for fair prices.

Effective Date: May 8-9, 1950  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 8-9, 1950

Related Commission Minutes: May 8-9, 1950; November 7, 2013 – Comprehensive Policy Review.

## **ACQUISITION AUTHORITY – APPROVAL OF DETAIL PLANS**

**Related Statute:** Section 227.050 – Commission may act on engineer’s recommendation.

As it pertains to Section 227.050, the Commission authorizes the Chief Engineer or his designee to approve detail plans for projects requiring condemnation. In keeping with the statutes, the Secretary to the Commission will continue to certify these plans for filing with the courts.

Effective Date: November 5, 1993

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: November 5, 1993

Related Commission Actions: November 5, 1993; November 7, 2013 – Comprehensive Policy Review.

## **OUTSOURCING RIGHT-OF-WAY ACQUISITION**

The Chief Engineer or his designee shall develop policies and procedures for outsourcing right-of-way acquisition activities. The Director or his designee is authorized to execute contracts for right-of-way acquisition, including, but not limited to, appraisals, negotiations, relocation assistance, mediation, and property description writing.

Effective Date: November 7, 2013

Supersedes Policy Dated: March 3, 1998

Last Reaffirmed:

Date of Origin: March 3, 1998

Related Commission Actions: February 10, 1964-Fee Appraisers; March 3, 1998; November 7, 2013 – Comprehensive Policy Review.

## **EXECUTION OF ACQUISITION DOCUMENTS – Acquisition of Right of Way**

### **Acquisition and Relocation**

The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, District Engineers, or Right-of- Way Managers, may execute documents and expend funds for costs associated with the acquisition of, and removal of improvements from, right-of-way on projects noted in the STIP. This authority includes (1) contracts with property owners and/or third parties providing for mitigation of damage to real property as a result of the right-of-way acquisition process and (2) documents related to relocation of owners and tenants.

Effective Date: April 3, 2012 – EOD, Paragraph B9

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin:

Related Commission Actions: October 14, 1971; June 2, 1989; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **Firm Offers**

The authority to arrive at an approved firm offer for right-of-way to be acquired by the Department is vested with the Design Division. The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, District Engineers, or Right-of- Way Managers may execute the letter binding the Commission to the firm offer.

(October 14, 1971; November 19, 1971; June 2, 1989; January 12, 2011-EOD; April 3, 2012-EOD)

Effective Date: April 3, 2012 – EOD, Paragraph B9a

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin:

Related Commission Actions: October 14, 1971; June 2, 1989; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **Acquisition Agreements**

Agreements for use in acquiring land may be executed the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, respective District Engineers, Right-of- Way Managers, Assistant Right-of-Way Managers, Assistant Right-of-Way Managers – Certified, Certified Appraisers, or Right-of-Way Specialist.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph B9b

Last Reaffirmed:

Date of Origin:

Related Commission Actions: October 14, 1971; June 2, 1989; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **RIGHT-OF-WAY PLANS DEVELOPMENT AND APPROVAL**

In accordance with Section 227.050, RSMo, and with the Code of Federal Regulations, the Chief Engineer shall develop policies and procedures for right-of-way plans development and acquisition authority. All projects must be included in the Commission approved Statewide Transportation Improvement Program. The Chief Engineer or his designee is authorized to approve, on the Commission's behalf, right-of-way plans. All right-of-way plans where right-of-way-must be acquired by condemnation shall be presented to the Commission for ratification.

Effective Date: November 7, 2013

Supersedes Policy Dated: December 4, 1997

Last Reaffirmed:

Date of Origin: December 4, 1997

Related Commission actions: November 14, 1939; April 9, 1940; December 20-21, 1940; March 14, 1944; July 12, 1949; June 2, 1989; November 5, 1993; December 4, 1997; November 7, 2013 – Comprehensive Policy Review.

## ANNEXATION

### ANNEXATION – Execution of Documents

Petitions for voluntary annexation where (1) the request documents contain no evidence of significant controversy and (2) the annexation would not be detrimental to the transportation system or the Commission may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or the respective District Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph E2

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin:

Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## DISPOSAL OF EXCESS PROPERTY

### DISPOSAL OF EXCESS REAL PROPERTY, EXCESS RIGHT-OF-WAY, AND UNECONOMIC REMNANTS

**Related Statute:** Section 227.290, Highways and Transportation Commission may convey or exchange land or leasehold.

*Section 227.290, RSMo 2000, as amended, authorizes the Commission to convey or exchange interest in land or leasehold for its approximate fair market value, when in the opinion of the Commission the advantageous use of any interest in the land or leasehold has ceased or for any other lawful reason the Commission wishes to dispose of the property.*

*In keeping with the statutes, before any sale shall be consummated, if the original owner of the property being offered for sale is in possession of the adjoining land, the original owner shall be notified by written notice of the contemplated sale. If the land or leasehold was donated without charge by the owner for the purpose of state highway construction or maintenance and if such owner is still in possession of the contiguous property, the property shall revert to such original owner without cost to the owner if and when relinquished by the Commission.*

*The statutes further allow the Commission, at its discretion to convey at no cost, or exchange its interest in any land or leasehold that is no longer necessary to be used for the construction, maintenance, or operation of the state highway system, or for any other lawful reason, to any federal, state, or local governmental entity.*

### **Chief Engineer to Determine When and How to Sell Excess Property**

When it is determined by the Chief Engineer, on behalf of the Commission, that the advantageous use of any interest in land or any leasehold acquired by the Commission has ceased, a timely conveyance of the land or leasehold to private ownership shall be made.

The Chief Engineer is authorized to establish the administrative procedure or process (as contemplated by Section 227.290 RSMo 2000, as amended) to be used in conveying or exchanging interest in land or leasehold.



### **Establishing Value of Fee Interest**

Regardless of whether the Commission has fee simple title or less than fee simple title, the appraisal will be made to establish the value of the fee interest.

### **Down Payment Requirement**

Potential purchasers of excess property will be required to pay a minimum of 10 percent of the negotiated purchase price prior to Commission action on the sale. The down payment will be returned if the transaction is not approved by the Commission or if the Commission has not acted on the request within 90 days of execution of the sales agreement. The Director is authorized to waive the down payment contemplated by this policy should he deem that doing so will be in the best interest of the Commission and the public and should he determine that the special circumstances of the transaction warrant such action.

### **Authority for Approval of Sale**

In keeping with Section 227.290(1), RSMo 2000, as amended, deeds and/or other documents used to convey property and/or property rights must be executed by the Commission's Chair or Vice Chair.

- a. **Sales of \$200,000 or More** – All proposed sales or exchanges of MHTC real property appraised at \$200,000 or more shall be submitted to the Commission for consideration.
- b. **Sales Less than \$200,000:** In those cases where the staff has no evidence of controversy pertaining to the sale of excess property and where the property is appraised and conveyed for less than \$200,000, the terms of the conveyance may be approved by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, or the Right-of-Way Director. These staff members may delegate to District Engineers by written advisory to the District Engineer and filed with the Right-of-Way Director.

### **Authority to Execute Sales Documents**

Contracts setting out the conditions for sale of excess property may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, or the District Engineers.

Effective Date:	November 7, 2013
Supersedes Policy Dated:	April 3, 2012 – EOD; Paragraph E6 January 12, 2011 - EOD
Last Reaffirmed:	
Date of Origin:	April 2, 1993 – Down Payment Requirement
Date of Origin:	March 4, 1994 – Establishing Value of Fee Interest
Date of Origin:	November 7, 2013 – Chief Engineer to Determine When and How to Sell
Date of Origin:	August 6, 1996 – Authority for Approval of Sale
Date of Origin:	August 6, 1996 – Authority to Execute Sales Documents

Related Commission Actions: September 14, 1937; April 2, 1993; March 4, 1994; August 6, 1996; June 14, 2006; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **DISPOSAL OF IMPROVEMENTS ON PROPERTY ACQUIRED BY COMMISSION**

### **Authority to Sell Improvements**

In those cases where buildings or other improvements are acquired through the right-of-acquisition process, such building, improvement, or other property may be sold for the most advantageous price and upon the best terms obtainable.

### **Authority to Execute Documents, Titles, and/or Sales Contracts related to Disposal of Improvements**

Titles and contracts for the sale of mobile homes and other improvements acquired during right-of-way acquisition may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, Right-of-Way Director, or the respective District Engineer, except that sales for less than the appraised value must be approved by the Right-of-Way Director.

Effective Date: April 3, 2012 – EOD, Paragraph E5c  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: December 15, 1950 – Authority to Sell Improvements  
Date of Origin: June 2, 1995 – Authority to Execute Documents  
Related Commission Actions: June 2, 1995-Titles for mobile homes-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **EASEMENTS AND LEASES**

### **ACCEPTANCE OF CONVEYANCES – Easements and/or Property**

The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, General Services Director, or respective District Engineer may execute documents accepting the conveyance of easements and property.

Effective Date: April 3, 2012 – EOD, Paragraph F1  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin:  
Related Commission Actions: December 7, 1990 – Easement across Railroad property; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **EASEMENTS ACROSS COMMISSION PROPERTY**

Easements across Commission property may be approved by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer; however, in keeping with Section 227.290(1), RSMo, as amended, deeds and/or other documents used to convey a real property interest (such as an easement) must be executed by the Commission's Chair or Vice Chair. To avoid a violation of the Rule against Perpetuities, the Chief Counsel's Office must review and approve as to form and content all agreements and deeds involving transactions where the Commission retains reversion rights.

Effective Date: April 3, 2012 – EOD, Paragraph E4  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin:  
Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **LEASE OF EXCESS COMMISSION PROPERTY**

### **Authority to Lease Excess Commission Property**

Property not immediately required for highway construction and not shown on any existing plans for construction may be used by others upon execution of a lease approved as to form by the Chief Counsel.

### **Authority to Execute Lease/License Agreements**

In those cases where MHTC is the lessor granting temporary use of MHTC real property to another party, other than transactions covered by permits (driveway, excavation, etc.), the Lease, Airspace License, or other agreement for use of real property and appurtenances may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, or Right-of-Way Director.

### **Outdoor Advertising Provisions**

The following provisions pertain to installation of outdoor advertising signs on property leased from the Commission:

1. On excess property lying outside right-of-way limits as indicated on the plans, a lessee may erect and maintain only those signs reasonably adequate to advise the public of the type of services being rendered thereon by the lessee or to indicate appropriate entrance or exit.
2. No outdoor advertising sign or structure is to be permitted on leased premises which constitute a portion of the right-of-way unless the sign is specifically authorized in the individual lease involved.
3. Leases will contain appropriate provision for the approval of advertising by Commission's representatives.
4. All leases will contain requirement for the removal of all signs or structures, at the expense of the lessee, at the termination of the lease.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph E8  
Last Reaffirmed:  
Date of Origin:  
Date of Origin: July 8, 1971 – Outdoor Advertising on Leased Property Held by Commission  
Related Commission Actions: April 15-16, 1941; August 13, 1946 – Farm Leases; December 19, 1969; November 18, 1970-Pre-Construction Rental Agreements; July 8, 1971-Outdoor Advertising; May 6, 1996 – Post Construction Right of Way Leases; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **LEASE OF PROPERTY FROM OTHERS**

In those cases where the Commission is the lessee of real property owned by another party, the lease may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, General Services Director, Central Office General Services Managers, or respective District Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph F2  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: \_\_\_\_\_  
Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **RELOCATION**

### **UNIFORM RELOCATION ASSISTANCE PROGRAM – RULES AND REGULATIONS**

**Related Rules:** [7 CSR 10-4 - Uniform Relocation Assistance](#)

The Uniform Relocation Assistance Program will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 4, *Uniform Relocation Assistance*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: June 13, 2007 – final rules  
Supersedes Policy Dated: September 8, 1993 – final rules  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 6, 1983 – final rules

Related Commission Actions: October 10-11, 1968; March 12, 1975; November 12, 1975; ADM RULES: March 4, 1983; May 6, 1983; October 2, 1987; December 11, 1987; May 5, 1993; September 8, 1993; March 13, 2007; June 13, 2007; November 7, 2013 – Comprehensive Policy Review.

### **RELOCATION ASSISTANCE – Execution of Documents**

The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Design Engineer, Right-of-Way Director, District Engineers, or Right-of- Way Managers, may execute documents and expend funds for costs associated with the acquisition of, and removal of improvements from, right-of-way on projects noted in the STIP. This authority includes (1) contracts with property owners and/or third parties providing for mitigation of damage to real property as a result of the right-of-way acquisition process and (2) documents related to relocation of owners and tenants.

Effective Date: April 3, 2012 - EOD  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: \_\_\_\_\_  
Related Commission Actions: January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **TRAFFIC CONTROL**

### **AUTOMATED TRAFFIC ENFORCEMENT**

The Director or his designee shall develop policies and processes regarding the installation and use by state, city, and county law enforcement agencies of automated traffic enforcement systems on the State Highway System and to cause such policies and procedures to be published in MoDOT's Engineering Policy Guide for retrieval by governmental entities and the public. Policies and processes shall be developed for the automated enforcement of both red-light violations and speed limits. The policy for automated enforcement of speed limits shall be limited to work zones, school zones, and travel safe zones. Documents related to the installation of automated traffic enforcement systems may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer or their designee.

Effective Date: November 7, 2013

Supersedes Policy Dated: January 12, 2011

Last Reaffirmed:

Date of Origin: January 12, 2011

Related Commission Action: January 12, 2011; November 7, 2013 – Comprehensive Policy Review.

### **PARKING**

**Related Statute:** RSMo 2000, Section 304.024 – Crosswalks and parking regulations established – signs – violation, an infraction.

### **PARKING RESTRICTIONS – Execution of Documents**

Documents pertaining to parking restrictions may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or the respective District Engineer. Parking restrictions within incorporated areas must be requested through a city ordinance. (May 1, 1992; January 12, 2011-EOD; April 3, 2012-EOD)

Effective Date: April 3, 2012 – EOD, Paragraph G13b

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: May 1, 1992

Related Commission Minutes: Parking Restrictions on Highways - March 13, 1928; Parking Restrictions on Interstate System, Freeways, and Interchanges - June 15, 1959, July 11, 1980, and March 9, 1984; Delegation of Authority to approve parking restrictions – May 1, 1992; June 2, 1995; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **PEDESTRIANS AND NON-MOTORIZED VEHICLES**

The Commission recognizes that the transportation system is used by pedestrians and non-motorized vehicles and supports the inclusion of improvements that provide for their safety and accessibility where the need exists. In keeping with Sections 300.405 and 304.024 RSMo 2000, the Code of Federal Regulations, and the Americans with Disabilities Act, the Chief Engineer

shall develop policies and procedures for the accommodation of pedestrian and non-motorized vehicles into the planning, design and construction of transportation projects.

Effective Date: November 7, 2013  
Supersedes Policy Dated:  
Last Reaffirmed:  
Date of Origin: November 7, 2013  
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

### **SIGNALS – Execution of Documents**

Contracts for fire station signals or preemptive devices and contracts for temporary and permanent vehicular signals at schools may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or respective District Engineer.

(January 12, 2011-EOD; April 3, 2012-EOD)

Effective Date: April 3, 2012 – EOD, Paragraph G11  
Supersedes Policy Dated: January 12, 2011  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 1, 1992  
Related Commission Actions: Fire stations – March 5, 1964; School Crossing Pedestrian Signals – March 5, 1964; Special Signal Installations – December 19, 1968; Authorized Traffic Signals – December 18-19, 1969; Revision of December 19, 1968 policy – August 1, 1986; Delegation of Authority for signal approval – May 1, 1992; December 2, 1994; \_\_\_\_\_ January 12, 2011 – EOD; April 3, 2012 – EOD; November 7, 2013 – Comprehensive Policy Review.

### **SIGNS**

**Related Statute:** Section 227.220, RSMo 2000 – Road markings and guide boards – danger signals – advertising signs – penalty for violation.  
Section 304.341, RSMo 2000 – Turns at intersections.  
Section 304.351, RSMo 2000 – Signs at intersections.

### **SIGNING AGREEMENTS – Execution of Documents**

#### **No Cost Signing Agreements**

Signing Agreements that incur no costs but are necessary to install signs on state right-of-way may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or respective District Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G12c  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin:  
Related Commission Minutes: ----- January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### **Crossing Sign Agreements – Execution of Documents**

Contracts for signs at school, cattle, or truck crossings may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, State Traffic and Highway Safety Engineer, or the respective District Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph G12b

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: June 10, 1963 - EOD

Related Commission Actions: June 10, 1963-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **SUPPLEMENTAL GUIDE SIGNS - LOGO**

### **Logo Signs – Rules and Regulations**

**Related Statute:** Section 226.535 RSMo

**Related Rule:** [7 CRS – 10-9 - Logo Signs](#)

*The Logo Signing Program provides for the installation and maintenance of logo signs along certain sections of Missouri's **interstate and freeway highway system**. **The cost of this signing is borne by the applicant**; the Commission establishes the fees. The Commission authorized the staff to proceed with Logo Service Signs on December 9, 1988. A contract to administer and market the logo signing program and install the signs was awarded to Missouri Logos on January 11, 1991. That company has continued to administer and service this program with the latest five-year contract approved by the Commission on December 1, 2010. Prior to the logo signing program, the Commission provided general service signing for gas, food, lodging, camping and hospitals on the Interstate and freeway highways.*

Implementation and administration of statutes regarding travel information signs will be in keeping with the related Administrative Rules adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State. For policies pertaining to logo service signs on the interstate and freeway highway systems see Code of State Regulations, Title 7, Division 10, Chapter 9, *Logo Signs*.

Effective Date: June 10, 2005 – final rules

Supersedes Policy Dated: January 8, 1999 – final rules

Last Reaffirmed: November 7, 2013

Date of Origin: June 2, 1989 – final rules

Related Commission Actions:

Service Signs: November 15-16, 1962; July 17, 1969; August 12, 1971; September 13, 1973; January 9, 1987.

Logo Signs: Approval to Proceed with LOGO Program - December 9, 1988, Contract Award - January 11, 1991;

Contract Extensions - October 6, 1995; February 7, 2001, September 4, 2003; July 8, 2005; December 1, 2010.

Administrative Rules: January 13, 1989; June 2, 1989; December 7, 1990; March 7, 1991; September 4, 1998;

January 8, 1999; March 9, 2005; June 10, 2005; November 7, 2013 – Comprehensive Policy Review..

## **Logo Signs – Execution of Documents**

Documents related to administration of the logo signing program may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or State Traffic and Highway Safety Engineer. These staff members may delegate to others under their supervision by written advisory filed with the Traffic and Highway Safety Division.

Effective Date: April 3, 2012 – EOD, Paragraph G12a  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: February 1, 1991  
Related Commission Minutes: Sales agreements - February 1, 1991; September 4, 2003; \_\_\_\_\_ January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **SUPPLEMENTAL GUIDE SIGNS – TOURIST-ORIENTED DIRECTIONAL SIGNS**

### **Tourist-Oriented Directional Signs – Rules and Regulations**

**Related Statutes:** 226.525, 226.801

**Related Rule:** [7 CRS 10-22 - Tourist-Oriented Directional Signs](#)

*Tourist-Oriented Directional Signs (TODS) are placed on **non-freeway** roads, which have at grade intersections. These signs, **the cost of which is borne by the applicant**, are limited to natural wonders and scenic and historical attractions. In keeping with a revision of Section 226.525 of the statutes effective August 28, 1999, the Commission implemented the TODS Program on September 30, 1999, by contracting with Missouri Logos to market and administer this program. The TODS program was in the Logo Program contract approved by the Commission on December 1, 2010.*

Implementation and administration of statutes regarding tourist oriented directional signing are in keeping with Code of State Regulations, Title 7, Division 10, Chapter 22, *Tourist Oriented Directional Signs*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: January 4, 2002 – final rules  
Supersedes Policy Dated: May 14, 1999 – final rules  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 14, 1999 - final  
Related Commission Actions: February 4, 1999; May 14, 1999; October 5, 2001; January 4, 2002; November 7, 2013 – Comprehensive Policy Review..



## SUPPLEMENTAL GUIDE SIGNS – TRAFFIC GENERATORS

### **Traffic Generators (Includes College and University Signing) – Rules and Regulations**

*A “traffic generator” is a publicly or privately owned scenic, historical, educational, cultural, or recreational site or a natural wonder (state approved cave) which generates a large volume of traffic due to public visitors to the site each year. The Commission filed Administrative Rules in 1996 defining the criteria for Minor, Major, and Super Traffic Generators and the type of signing available for each. The rule further included rules for college or university signing.*

**Related Statutes:** Section 226.525 RSMo

**Related Rule:** [7 CSR 10-17 - Traffic Generators](#)

Implementation and administration of statutes pertaining to signing for Minor, Major, and Super Traffic Generators and college and university signing will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 17, *Traffic Generators*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: December 5, 2003 – final rules

Supersedes Policy Dated: August 9, 1996 – final rules

Last Reaffirmed: November 7, 2013

Date of Origin: August 9, 1996 – final rules

Related Commission Actions: May 7, 1996; August 9, 1996; August 8, 2003; December 5, 2003; November 7, 2013 – Comprehensive Policy Review.

## UNAUTHORIZED SIGNS

**Related Statute:** Section 227.220 RSMo 2000 – Road markings and guide boards – danger signals – advertising signs – penalty for violation.  
Section 300.175 RSMo 2000 – Display of unauthorized signs, signals, or markings. (1929, 1939)  
Section 304.321 RSMo 2000 – Trafficway not to be used for signs (1969)

The Chief Engineer is authorized and empowered to remove any and all unauthorized sign boards, direction boards, and advertising signs. Where they cannot otherwise be removed, the Chief Counsel is authorized and instructed to take whatever steps he may think necessary (including proceedings by court action) to cause them to be removed and to clear and keep all state highway rights-of-way free of all unauthorized obstructions and of objects which may cause dangerous distraction of the attention of highway users.

Effective Date: November 7, 2013

Supersedes Policy Dated: November 19, 1926

Last Reaffirmed:

Date of Origin: November 19, 1926

Related Commission Actions:

Unauthorized Signs: November 19, 1926

From private property: December 4, 1924; Trail Markings – May 13, 1924

Advertising, Political Campaign Posters, Etc. - June 1, 1923; Reaffirmed February 9, 1932 (political campaign posters), June 13, 1944, June 10, 1946; May 8-9, 1950; June 9, 1952; Exceptions - January 13-14, 1953; November 7, 2013 – Comprehensive Policy Review..

## SPEED LIMITS

### *Legislative actions pertaining to speed limits:*

- 1903 – 9 miles per hour.
- 1915 – 15 miles per hour.
- 1939 - “at a rate of speed so as not to endanger the property of another or the life or limb of any person, provided that a rate of speed in excess of 25 miles an hour for a distance of one-half mile shall be considered as evidence...of driving at a rate of speed which is not careful and prudent...”
- 1957 – 70 miles per hour on divided federal highways, when lighted lamps not required.  
65 miles per hour on all other highways when lighted lamps not required.  
65 miles per hour on undivided federal highways when lighted lamps are required)  
60 miles per hour on any other road or highway when lighted lamps are required.
- 1973 - Congress responded to oil shortages by mandating that federal highway funds be withheld from states that did not adopt a maximum speed limit of 55 miles per hour.
- 1995 - National Highway System Designation Act repealed the maximum 55 mile per hour speed limit, again allowing states to set their own limits.
- 1996 - Missouri enacted legislation that returned its speed limit on rural interstate and freeways to 70 miles per hour, rural expressways to 65 miles per hour, urban freeways and expressways to 60 miles per hour, and retained the 55 mile per hour speed limit on two-lane lettered routes. This legislation authorized the Highways and Transportation Commission to set speed limits higher or lower than the listed speed limits (within stated parameters) and allowed the Commission to void any ordinance if it found that such ordinance was (1) not primarily designed to expedite traffic flow, and (2) primarily designed to produce revenue for the city, town, or village which enacted such ordinance.

## SPEED LIMITS

### **Related Statute:**

RSMo 2000, Section 304.010 – Definitions – maximum speed limits – cities, towns, villages, certain counties, may set speed limit, how set – slower speeds set, when – violations, penalty.

RSMo 2000, Section 304.130 – Regulation of vehicular traffic – notice, hearings – approval – publication of notice (first class counties).

RSMO 2000. Section 304.351.7 – Commission may fix speed limit in areas near intersections by posting signs.

### **Authority to Approve Speed Limits**

The Chief Engineer or his designee is authorized to approve speed limits on the state highway system. The Chief Engineer shall develop policies and processes regarding the establishment of speed limits. This delegated authority is applicable to all speed limits, which includes permanent, temporary, and work zone speed limit postings.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 1996 and August 9, 1996

Last Reaffirmed:

Date of Origin: April 3, 1996 – Speed Limits

August 9, 1996 – Speed Limits in Work Zones

Related Commission Actions: July 15, 1957; December 12, 1961; June 5, 1987; May 1, 1992; April 3, 1996. Speed Limits in Work Zones. September 17, 1970; February 5, 1988; June 3, 1988; January 5, 1994; Chief Engineer to implement future revisions in speed limits in work zones - August 9, 1996; November 7, 2013 – Comprehensive Policy Review.

**Authority to Execute Speed Limit Agreements**

Documents related to speed limit changes may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, the State Traffic and Highway Safety Engineer, or respective District Engineer.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 1996 and August 9, 1996 – Approve Speed Limits

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph G13a

Last Reaffirmed:

Date of Origin: April 3, 1996 – Speed Limits

August 9, 1996 – Speed Limits in Work Zones

Date of Origin: May 1, 1992 - EOD

Related Commission Actions:

Authority to Approve Speed Limits: July 15, 1957; December 12, 1961; June 5, 1987; May 1, 1992; April 3, 1996. Speed Limits in Work Zones. September 17, 1970; February 5, 1988; June 3, 1988; January 5, 1994; Chief Engineer to implement future revisions in speed limits in work zones - August 9, 1996.

Execute Agreements: May 1, 1992; June 2, 1995; \_\_\_\_\_ January 12, 2011-EOD; April 3, 2012-EOD.

Combined Policies: November 7, 2013 – Comprehensive Policy Review.

## STRIPING

*The first No Passing stripes were approved by the Commission on July 12, 1932. At that time they were placed in the middle of the driving lanes. This practice continued until January 18, 1954, when the Commission agreed to conform to national standards by placing the “No Passing” stripe adjacent to the center line.*

*The Commission approved Missouri’s edge line program on December 20, 1960, which allowed 618 miles of edge lines to be placed in 1961. This very popular program was expanded by the Commission, resulting in edge lining being approved on October 17, 1969, for the entire primary system (17,290 line miles. Due to the expense, the edge line program was not as quickly expanded to include the supplementary routes; however, on January 8, 1993, the Commission voted to include all routes carrying average daily traffic of 1,700 vehicles or greater.*

### STRIPING – Delegation of Authority

**Related Statute:** RSMo 2000, Section 227.220 – Road markings and guide boards—danger signals—advertising signs—penalty for violation (1929 and 1939).  
RSMo 2000, Section 227.221 – White lines at outer edges of primary highways required (1971).

The Chief Engineer is authorized to develop and implement policies related to striping the State Highway System.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review.

## UTILITIES

**Related Statutes:** Section 227.240, RSMo 2000, revised 2006, Location and removal of public utility equipment – lines in right-of-way permitted – penalty for violation.

### UTILITIES – RULES AND REGULATIONS

**Related Rule:** [7 CSR 10-3 - Utility and Private Line Location and Relocation](#)

Policies and procedures pertaining to location and relocation of utility facilities on state highways, utility relocation hearings, and location and relocation of private lines on state highways are in keeping with Code of State Regulations, Title 7, Division 10, Chapter 3, *Utility and Private Line Location and Relocation*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: September 4, 2003 – final rules  
Supersedes Policy Dated: February 7, 2003 – final rules  
Last Reaffirmed: November 7, 2013  
Date of Origin: January 7, 1965

Related Commission Minutes: Administrative Rules: January 7, 1965; Numerous – Latest October 4, 2002; February 7, 2003; June 6, 2003, and September 4, 2003; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

## **LEGAL ISSUES**

### **ATTORNEY DEFENSE**

#### **REPRESENTING EMPLOYEES FOR TRAFFIC VIOLATIONS**

Should an employee, while conducting department business, receive a ticket for a traffic violation, a department attorney will contact ticketed employee to discuss the matter advising that the attorney represents the Commission, not the employee. If the employee intends to fight the ticket, counsel will recommend that private counsel be retained by the employee at the employee's expense. If the employee intends to defend himself, counsel will advise the employee of his/her rights and be available for reasonable consultation. Counsel will not represent the employee in court except in exceptional cases as determined by the Chief Counsel, in which the best interests of the Commission and employee will be served by such representation. Counsel will also represent the employee when the ticket was issued as a result of the condition of the state equipment or as a result of special working conditions. The employee will be required to execute a written consent letter on which the employee indicates his intent with regard to the ticket.

If the employee intends to plead guilty to the offense or a reduced offense either initially or at any time until final disposition of the ticket, counsel will advise the employee not to plead guilty to a charge which is contrary to the facts and which will be detrimental to the best interests of the Commission. The employee will be advised to enter an Alford plea or the equivalent if some similar alternative is allowed by the local court. If such plea is not permitted by the court, the employee will be advised that he/she may plead guilty to an offense which is supported by the facts in the opinion of Commission counsel. Counsel will further advise that pleading guilty to a charge which is not supported by the facts and which is detrimental to the best interest of the Commission may result in disciplinary action.

Effective Date: June 1, 1990

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: June 1, 1990

Related Commission Minutes: November 8, 1927; April 10, 1934; August 14, 1934; September 14, 1943; March 13, 1969; June 1, 1990; November 7, 2013 – Comprehensive Policy Review.

## **ATTORNEYS APPOINTED BY THE COURT TO REPRESENT INDIGENT DEFENDANTS**

1. Staff attorneys employed by the Commission who are required to represent defendants in criminal cases by virtue of court appointment shall continue to receive normal compensation for time necessarily devoted to the defense of such cases and will not be required to charge such time against vacation, nor against leave without pay.
2. When necessary for the defense of cases to which staff attorneys are appointed by court order, support staff may be used and shall receive normal compensation for such work.
3. When appointed by court order to represent defendants in criminal cases, staff attorneys are authorized to use Commission-owned facilities, such as telephones, office space, library, copying machines and computers.
4. When staff attorneys are required to represent indigent defendants pursuant to court appointment, the Chief Counsel shall keep an accurate record of time spent pursuant to such court appointment of both the attorney and support staff, as well as any necessary supplies.
5. The Chief Counsel will submit bills to the Public Defenders Commission or other appropriate agency for reimbursement to the Commission for the salaries of employees and the cost of material and supplies necessarily utilized in the defense of any case which staff attorneys are required by court order to perform.
6. Any reimbursement received as a result of time spent by staff attorneys, support staff, or supplies and materials used, will be deposited in the State Road Fund.

Effective Date: November 7, 2013

Supersedes Policy Dated: June 5, 1981

Last Reaffirmed:

Date of Origin: June 5, 1981

Related Commission Minutes: August 8, 1960; June 5, 1981; November 7, 2013 – Comprehensive Policy Review.



## DELEGATION OF AUTHORITY (Legal Issues)

### AUTHORITY TO APPROVE AND EXECUTE LEGAL DOCUMENTS AND RETAIN PROFESSIONAL SERVICES

All documents below are excepted from attestation by the Secretary to the Commission.

1. **Pleadings and Settlement Authority:** The Chief Counsel, or others designated by the Chief Counsel, may execute any pleading, motion, notice, stipulation, agreement, release, covenant not to sue, or other instrument in connection with court or agency proceedings to which the Commission, the department, a department or Commission employee, or a Commissioner is a party.
2. **Expert Witness/Consultant Services:** The Chief Counsel, or others designated by the Chief Counsel, may execute contracts and expend funds for procurement of expert witnesses, consultant services, alternate dispute resolution services, and other services in the amount of \$200,000 or less.
3. **Private Counsel:** The Chief Counsel, or others designated by the Chief Counsel may execute contracts and expend funds for procurement of private counsel services in the amount of \$200,000 or less per year with any individual law firm in the following areas:
  - a. Condemnation.
  - b. Fleet vehicle liability.
  - c. General liability.
  - d. Human resources.
  - e. Property damage.
  - f. Workers' compensation and workers' compensation subrogation.
  - g. Other cases in which the Chief Counsel determines that such representation will further the interest of the Commission; however, a representation which in the opinion of the Chief Counsel is not routine and is unique or sensitive will be discussed with the Commission before counsel is retained.

Effective Date: April 3, 2012 – EOD, Paragraph I

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: \_\_\_\_\_

Related Commission Minutes for Private Counsel: Condemnation Cases - May 13, 1924; December 16-17, 1954; Eminent domain - December 4, 1997; Out-of-State Collections - April 16, 1970; June 4, 1982; December 11, 1987 Risk Management - November 7, 1997.

January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

This page intentionally left blank.

# **LEGISLATION**

## **LEGISLATIVE COMMITTEE**

All members of the Commission have an obligation to actively engage with members of the General Assembly regarding issues pertaining to transportation. In order to closely monitor legislative proposals, however, the Chair shall appoint a Legislative Committee and appoint two of its members, one each from opposing political parties, as Co-Chairs. The number of members on the Legislative Committee will be at the discretion of the Chair. The Legislative Committee will interact with members of the General Assembly and the MoDOT staff in order to quickly respond to the proposed legislative measures. The Legislative Committee will report monthly to the full Commission when the General Assembly is in session, at such other times as deemed appropriate by the Legislative Committee, or upon request of the Commission.

Effective Date: November 7, 2013

Supersedes Policy Dated: July 7, 2000

Last Reaffirmed:

Date of Origin: July 7, 2000 (First record of committee.)

Related Commission Minutes: July 7, 2000; January 4, 2002; July 8, 2005; November 7, 2013 – Comprehensive Policy Review.

## **LEGISLATION**

It is the prerogative of the Commission to determine the position to be taken regarding proposed legislative measures. In communicating its positions to the staff, the following process will be followed:

- Prior to the beginning of each legislative session, the staff will present the Commission with a position paper listing legislative issues that may arise during the session.
- Following action taken by the Commission to support, oppose, or remain neutral on each of the legislative issues described in the position paper, the Director or his designee is authorized to relay those positions as appropriate during the legislative deliberations process.
- During the legislative session, the staff will communicate regularly with the Commission's Legislative Committee regarding the progress of any legislative proposals described on the position paper, as well as any other unanticipated legislative proposals.
- Should Commission action be needed on legislative proposals that were not anticipated in the position paper, it will be taken at the next following Commission meeting. In the interim, however, such decisions will rest with the Legislative Committee and be reported to the Commission at its next regular meeting.
- In those cases where the Director determines that action is urgent regarding a legislative issue on which the Commission has not previously made its position known and contact with the Legislative Committee is not possible, the Director is authorized to use his best

judgment when offering a position on such a proposal. Any such actions must be reported to the Commission as soon as practical, but no later than the next Commission meeting.

- Notwithstanding any of the provisions cited above, the Chairman may call a special meeting of the Commission for consideration of legislative proposals where action by the full body is deemed necessary.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: February 18, 1963; April 6, 1989-Legislative liaison; November 7, 2013 – Comprehensive Policy Review.

## MOTOR CARRIER SERVICES

**Related Statutes:** Section 226.008 – 226.009 RSMo (2002) – Transfer of authority to Highways and Transportation Commission  
Section 226.135 RSMo – Multi State Permits—fees—Over-dimension Permit Fund established.  
Sections 301.265 – 301.277 RSMo – Interstate motor carriers, registration and regulation of pursuant to International Registration Plan transferred to Highways and Transportation Commission. Highway Reciprocity Commission abolished, duties and functions transferred to Highways and Transportation Commission (226.008).  
Section 302.756 RSMo – MoDOT Counsel to bring civil action against violators of out-of-service orders  
Section 304.170 – 304.240 RSMo – Width – Weight - Height  
Chapter 387 RSMo – Motor Carriers Generally  
Chapter 390 RSMo – Motor Carriers and Express Companies  
Chapter 622 RSMo – Motor Carrier and Railroad Safety

*Effective July 1, 2002, the Commission was charged with the responsibility and authority to administer and enforce regulations pertaining to motor carrier operations and rail safety within Missouri (previously assigned to the Division of Economic Development and the Highway Reciprocity Commission). Prior to that time, the Commission/Department was responsible for only the provisions that pertained to issuance of special permits to allow loads exceeding the legal height and weight.*

### MOTOR CARRIER OPERATIONS – Execution of Documents

Any document, other than those contemplated by the Commission-approved appropriation in the respective fiscal year's operating budget, necessary to fulfill the responsibilities of the Motor Carrier Services may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or Motor Carrier Services Director. These staff members may delegate to others under their supervision through written advisory filed with the Motor Carrier Services Director.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2012-EOD, Paragraph G7  
Last Reaffirmed:  
Date of Origin: June 7, 2002

Related Commission Minutes: June 7, 2002-Original; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### OVERSIZE/OVERWEIGHT PERMITS

Section 304.200 RSMo grants authority to the Chief Engineer to issue special permits for vehicles or equipment exceeding the limitations on width, length, height, and weight, as

specified in the statutes, or which are unable to maintain minimum speed limits. The Chief Engineer has delegated like authority to the Director of Motor Carrier Services. *(Authority for execution of oversize/overweight permits is included in this document for information only since delegation authority from the Commission is not required in this instance.)*

Effective Date: April 3, 2012 - EOD, Paragraph G9c  
Supersedes Policy Dated: January 12, 2011 - EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 2, 1986  
Related Commission Minutes: May 2, 1986-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

## **MOTOR CARRIER OPERATIONS – RULES AND REGULATIONS**

**Related Rules:** [7 CSR 10-25 – Motor Carrier Operations](#)  
[7 CSR 265-10 – Motor Carrier Operations](#)

Policies and procedures pertaining to motor carrier operation are in keeping with Code of State Regulations, Title 7, Division 10, Chapter 25, *Motor Carrier Operations*, AND Code of State Regulations Title 7, Division 265, Chapter 10, *Motor Carrier Operations*, as adopted and filed by the Commission with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: 7 CSR 10-25 - November 13, 2007 – Rules rules adopted.  
7 CSR 265-10 – December 12, 2007 – Rules rules adopted.

Supersedes Policy Dated: May 9, 2007 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: February 18, 1973 – Overdimension/Overweight Permit Regulations – Rules Filed  
June 6, 2003 – Motor Carrier Operations – Rules Filed.  
Related Commission Minutes: Administrative Rules: Numerous – Latest for Division 10, Chapter 25 – November 7, 2007; Latest for Division 265, Chapter 10 – December 12, 2007; November 7, 2013 – Comprehensive Policy Review.

# MULTIMODAL

## RAILROADS

### UNCONTESTED ADMINISTRATIVE ORDERS

Uncontested Administrative Orders for rail/highway safety projects may be executed by the Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or the Multimodal Operations Director.

Effective Date: April 3, 2012-EOD, Paragraph G10  
Supersedes Policy Dated: January 12, 2011-EOD  
Last Reaffirmed: November 7, 2013  
Date of Origin: July 2, 2003

Related Commission Minutes: July 2, 2003-original; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### RAIL INDUSTRY OPERATIONS – Execution of Documents

Any document, other than those contemplated by the Commission-approved appropriation in the respective fiscal year's operating budget, necessary to fulfill the responsibilities of Rail Industry Operations may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or Multimodal Operations Director. These staff members may delegate to others under their supervision through written advisory filed with the Multimodal Operations Director.

Effective Date: November 7, 2013  
Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph G7  
Last Reaffirmed:  
Date of Origin: June 7, 2002  
Related Commission Minutes: June 7, 2002-Original; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.

### RAILROAD SAFETY – RULES AND REGULATIONS

**Related Statutes:** Section 226.008 – 226.009 RSMo (2002) – Transfer of authority to Highways and Transportation Commission  
Chapter 389 RSMo – Regulation of Railroad Corporations  
Chapter 391 RSMo – Street Railroads  
Chapter 622 RSMo – Motor Carrier and Railroad Safety

**Related Rule:** [7 CSR 265-9 - Rail Fixed Guideway Systems](#)

*Effective July 1, 2002 the Commission was charged with the responsibility and authority to administer and enforce regulations pertaining to railroad operations and rail safety within Missouri.*

Policies and procedures pertaining to rail road safety programs and reviews, requirements for the installation and maintenance of certain required signs used on rail fixed guideway systems; drug

and alcohol testing; hours of service; walkways; rail-highway grade crossing construction and maintenance; rail-highway grade crossing warning devices; visual obstructions at public grade crossings; dedicated rail fixed guideway telephone; and compliance with Federal Transit Administration Notification rules pertaining to accidents and hazards are in keeping with Code of State Regulations, Title 7, Division 265, Chapter 9, *Rail Fixed Guideway Systems*, as adopted and filed by the Commission with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: March 13, 2007 – Final rules adopted.  
Supersedes Policy Dated:  
Last Reaffirmed: November 7, 2013  
Date of Origin: March 13, 2007 – Final rules adopted.

Related Commission Minutes: November 17, 2006; March 13, 2007; November 7, 2013 – Comprehensive Policy Review.

## **TRANSIT**

### **MISSOURI ELDERLY AND HANDICAPPED TRANSPORTATION ASSISTANCE PROGRAM – RULES AND REGULATIONS**

**Related Statutes:** Section 208.250 – 208.275 RSMo – Missouri Elderly and Handicapped Transportation Assistance Program (1976)

**Related Rule:** [7 CSR 10-7 - Transportation](#)

In keeping with Section 208.265, RSMo 2000, as amended, the manner in which funds available for the Missouri Elderly and Handicapped Assistance Program will be distributed will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 7, *Transportation*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 5, 1993 – Final rules adopted.  
Supersedes Policy Dated: May 6, 1983 – Final rules adopted.  
Last Reaffirmed: November 7, 2013  
Date of Origin: May 6, 1983– Final rules adopted.

Related Commission Minutes: Administrative Rules: March 4, 1983; May 6, 1983; August 6, 1993; November 5, 1993; November 7, 2013 – Comprehensive Policy Review

### **MISSOURI STATE TRANSIT ASSISTANCE PROGRAM – RULES AND REGULATIONS**

**Related Statutes:** Section 226.195, RSMo 2000 as revised – Missouri State Transit Assistance Program (2011)

**Related Rule:** [7 CSR 10-7 - Transportation](#)



In keeping with Section 226.195, RSMo 2000, as amended, the procedures for the distribution of funds appropriated to the Missouri State Transit Assistance Program will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 7, *Transportation*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: May 1, 2013 – Final rules adopted.

Supersedes Policy Dated:

Last Reaffirmed: November 7, 2013

Date of Origin: May 1, 2013 – Final rules adopted.

Related Commission Minutes: January 17, 2013 – Proposed; May 1, 2013 – Final; November 7, 2013 – Comprehensive Policy Review

This page intentionally left blank.

# ORGANIZATION

## DISTRICT OFFICE STRUCTURE

*On April 2, 1917, the State Highway Board (predecessor to the Commission) concurred in the State Highway Engineer's recommendation to divide the state into six highway districts. Realizing the increase of work to be accomplished under the 1921 Centennial Road Law, the newly created State Highway Commission increased the number of districts from six to ten on May 9, 1922. In 1942, in response to a request from the Commission, the Department staff studied the possibility of consolidating the districts by eliminating either two or five district offices and reported that no appreciable savings would be realized. On August 14, 1987, the Commission realigned the ten districts to more efficiently spread the work load among the Districts and better serve the public. On June 8, 2011, the Commission reduced the number of districts from ten to seven.*

*The 2011 action was part of a plan to downsize the Department not only to more appropriately meet the needs of a significantly reduced construction program, but also to restructure the organization in such a manner as to accommodate a larger construction program should additional funds for highway improvements be made available in the future. In addition to closing the district offices located in Willow Springs, Macon, and Joplin, the total number of maintenance and construction facilities was reduced from 327 to 203; the equipment fleet was reduced by approximately 740 units; and the workforce was reduced from 6,300 positions to approximately 5,100.*

*The Commission directed that, to the extent possible, the closed district office buildings be used for the benefit of local communities. On July 15, 2011, the Commission entered into an agreement with Joplin Schools wherein the schools are allowed to use the district office premises for the sole purpose of School Administration Office Space until July 14, 2014. In 2012, the Commission entered into a ten-year lease/sales option agreement with the City of Willow Springs, and a ten-year lease/sales option agreement with the County of Macon, on the respective district office properties.*

## DISTRICT STRUCTURE

In order to achieve maximum production within the Department and maximum allocation of funds to the highway construction program, the alignment of the Department's Districts will be as follows:

### **Northwest District**

**District Office Location:** St. Joseph

**Counties:** Andrew, Atchison, Buchanan, Caldwell, Carroll, Chariton, Clinton, Davies, DeKalb, Gentry, Grundy, Harrison, Holt, Linn, Livingston, Mercer, Nodaway, Putnam, Sullivan, and Worth

**Northeast District**

**District Office Location:** Hannibal

**Counties:** Adair, Audrain, Clark, Knox, Lewis, Lincoln, Macon, Marion, Monroe, Montgomery, Pike, Ralls, Randolph, Schuyler, Scotland, Shelby, and Warren

**Kansas City District**

**District Office Location:** Lee's Summit

**Counties:** Cass, Clay, Jackson, Johnson, Lafayette, Pettis, Platte, Ray, and Saline

**Central District**

**District Office Location:** Jefferson City

**Counties:** Boone, Callaway, Camden, Cole, Cooper, Crawford, Dent, Gasconade, Howard, Laclede, Maries, Moniteau, Morgan, Miller, Osage, Phelps, Pulaski, and Washington.

**St. Louis Area District**

**District Office Location:** Chesterfield

**Counties:** Franklin, Jefferson, St. Charles, St. Louis, and St. Louis City.

**Southwest District**

**District Office Location:** Springfield

**Counties:** Barry, Barton, Bates, Benton, Cedar, Christian, Dade, Dallas, Greene, Henry, Hickory, Jasper, Lawrence, McDonald, Newton, Polk, St. Clair, Stone, Taney, Vernon, and Webster.

**Southeast District**

**District Office Location:** Sikeston

**Counties:** Bollinger, Butler, Cape Girardeau, Carter, Douglas, Dunklin, Howell, Iron, Madison, Mississippi, New Madrid, Oregon, Ozark, Pemiscot, Perry, Reynolds, Ripley, Scott, Shannon, Ste. Genevieve, St. Francois, Stoddard, Texas, Wayne, and Wright.

Effective Date: June 8, 2011  
Supersedes Policy Dated: August 14, 1987  
Last Reaffirmed: November 7, 2013  
Date of Origin: April 20, 1922

Related Commission Actions Pertaining to District Organization and Alignment: April 20, 1922; May 9, 1922; February 6, 1923; July 12, 1927; March 13, 1934; April 13, 1942; December 7, 1953; December 16, 1963; August 14, 1987; June 8, 2011; November 7, 2013 – Comprehensive Policy Review

## ORGANIZATION – RULES AND REGULATIONS

**Related Statute:** Article IV, Sections 29, 30(a), (b), (c) Missouri Constitution  
Chapter 226, RSMo 2000, as revised, State Transportation Department  
Section 536.023 RSMo 2000, as revised – Administrative procedures

**Related Rule:** [7 CSR 10.1, Organization](#)

*Section 536.023.3, RSMo 2000, as revised, requires each state agency to adopt as a rule a description of its organization and general courses and methods of its operation and the methods and procedures whereby the public may obtain information or make submissions or requests.*

The Director, with approval of the Commission, shall structure MoDOT's organization in a manner that is deemed best to result in maximum internal efficiency. In those instances where restructuring is deemed to be advantageous, the Commission, in fulfilling its responsibilities as set out in Article IV, Section 29, of the Missouri Constitution, will approve and file administrative rules related to MoDOT's organizational structure. The organization of the Department of Transportation, therefore, shall be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 1, *Organization, General Provisions*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 7, 2013

Supersedes Policy Dated: June 2, 2010 – Final rules adopted.

Last Reaffirmed:

Date of Origin: October 13, 1976 – First Organization rules adopted

Administrative Rules: First filed-October 13, 1976 – Last filed – June 2, 2010; November 7, 2013 – Comprehensive Policy Review; February 11, 2014-Proposed.

.

This page intentionally left blank.

## **RESEARCH AND PLANNING**

### **STATE PLANNING AND RESEARCH FUNDING**

*The Federal Highway Administration (FHWA) designates funding for a Statewide Planning and Research (SPR) Program. The amount of these funds is two percent of the total apportionments distributed to Missouri by formula, less any penalties. FHWA further mandates that a minimum of 25 percent of these funds be used for research and the remainder used for planning. It also mandates that 5.5 percent of the SPR funds be returned to the federal level via the National Cooperative Highway Research Program, which conducts research projects benefitting multiple states. SPR funds generally require a 20 percent state match.*

*MoDOT prepares a SPR Work Program detailing each type of project qualifying for funding and the maximum amount of funding available for the specific item*

### **STATE PLANNING AND RESEARCH WORK PROGRAM**

The Commission understands and supports utilizing research to study and solve current and future issues related to transportation and authorizes the Director to develop and implement an annual State Planning and Research Work Program. In keeping with federal provisions pertaining to the use of federal State Planning and Research (SPR) funds, the Director was further authorized to submit the program to the Federal Highway Administration for its approval.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review

### **RESEARCH AGREEMENTS**

In order to be aware of and implement cost-effective transportation innovations, the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or the State Construction and Materials Engineer may approve bids and quotes and execute contracts with the National Academy of Sciences, the Federal Highway Administration, universities, private consultants, research organizations, other states, or other entities pertaining to research projects, or testing functions provided (1) no single transaction exceeds \$200,000 without approval of the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer, and (2) the expenditures do not exceed the amount of State Planning and Research Funds reflected in the Department's State Planning and Research Work Program.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012-EOD, Paragraph C6

Last Reaffirmed:

Date of Origin: August 18, 1972 – NCHRP and FHWA

Related Commission Minutes: August 18, 1972-EOD ; January 9, 1987-added universities and others; June 2, 1995-Research programs-\$25,000 limit; March 3, 1998; July 10, 2001-EOD-limit removed; December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review

## **TRANSPORTATION PLANNING AGREEMENTS**

The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or State Transportation Planning Engineer may approve and execute contracts pertaining to transportation planning provided (1) no single transaction will exceed \$200,000 without approval of the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer, and (2) the total expenditures do not exceed the amount of State Planning and Research Funds reflected in the Department's Federal Highway Administration's State Planning and Research Work Program, approved by the Federal Highway Administration.

Effective Date: April 3, 2012 – EOD, Paragraph C6

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: May 6, 1994-Planning agreements

Related Commission Minutes: May 6, 1994-Planning agreements; July 10, 2001-EOD; December 10, 2004-EOD; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review



## **STATE AND LOCAL GOVERNMENTAL ENTITIES**

### **STATE AND LOCAL GOVERNMENTAL ENTITIES**

The Commission recognizes that the citizens of Missouri benefit from cooperative relationships between state and local governments. Such cooperative efforts enhance safety and economic development as well as the department's understanding of local issues. The Director or his designee is authorized to enter into mutually beneficial cooperative agreements as outlined further in the Commission's policies.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review

### **STATE ROAD FUND PAYMENTS TO OTHER STATE AGENCIES AND OFFICES**

Notwithstanding any other provision of the Commission's policies, all agreements with other state agencies and offices involving payment from the State Road Fund, or forbearance of payment to the State Road Fund, in the amount of \$200,000 or less per fiscal year may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer. In addition, the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer may execute agreements with the State Highway Patrol relating to reimbursement from the Patrol for Commission owned vehicle fuel consumed by the Patrol and payment by the Commission to the Patrol for airplane flight services regardless of the amount.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2013 – EOD, Paragraph A6

Last Reaffirmed:

Date of Origin: October 11, 2006 - EOD

Related Commission Minutes: October 11, 2006-EOD; January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review

### **BRIDGE INSPECTION CONTRACTS – LOCAL AGENCY**

Agreements to provide for the inspection of local agency bridges deemed necessary to carry out MoDOT's obligation to inspect bridges within Missouri's borders to comply with the National Bridge Inspection Standards established under Title 23 of the Code of Federal Regulations may be executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, or State Bridge Engineer, provided the consultant has been selected in keeping with Chapter 8 of the Revised Statutes of Missouri. These agreements incur no direct cost to the Commission.

Effective Date: April 3, 2012 – EOD, Paragraph G3

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: July 10, 2001 - EOD

Related Commission Minutes: July 10, 2001-EOD; January 12, 2012-EOD; April 3, 2012-EOD; November 7, 2013  
– Comprehensive Policy Review

## **COUNTY ROAD MILEAGE**

Reference: Missouri Constitution: Article IV, Section 30(a).

The Director or his designee is authorized to certify, on the Commission's behalf, future annual county road mileage reports for delivery of same to the State Department of Revenue for use in computing the pro rata share for each county of the County Aid Road Trust Fund.

Effective Date: November 7, 2013  
Supersedes Policy Dated: February 13, 1997  
Last Reaffirmed:  
Date of Origin: February 13, 1997

Related Commission Minute: February 13, 1997; November 7, 2013 – Comprehensive Policy Review

## **FEDERAL AID PROGRAM FOR LOCAL JURISDICTIONS**

With regard to federal aid to local jurisdictions, the jurisdictions involved will provide all costs to match federal funds for projects on the local road systems, including design, right-of-way, and construction, not covered by federal funds participation. No portion of the cost of a project on the local highway system will be borne by the Commission. Commission cost participation may be applicable to local projects if the improvement is on the State Highway System.

Effective Date: September 13, 1973  
Supersedes Policy Dated: March 11, 1971  
Last Reaffirmed: November 7, 2013  
Date of Origin: April 9-10, 1969

Related Commission Actions: April 9-10, 1969 – TOPICS; March 11, 1971; September 13, 1973; November 7, 2013 – Comprehensive Policy Review

# STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

## LONG RANGE TRANSPORTATION PLAN

The Commission recognizes the importance of having a long-term view of the transportation system that identifies challenges and needs that, if addressed, will enhance safety and economic development for Missouri. Further, federal regulations require state departments of transportation to develop and maintain long-range transportation plans. The Director is authorized to periodically develop a long-range transportation plan for the State of Missouri in accordance with federal regulations. Such development must include broad input from the citizens of Missouri as well as strategic partners in transportation. It must lay out a clear and concise vision that is supported through public involvement in the development of the document.

Effective Date: November 7, 2013

Supersedes Policy Dated: July 8, 1994

Last Reaffirmed:

Date of Origin: July 8, 1994

Related Commission Minutes: July 8, 1994; November 7, 2013 – Comprehensive Policy Review

## STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM APPROVAL

The Statewide Transportation Improvement Program (STIP), which includes the Five-Year Highway and Bridge Construction Schedule and the Multimodal Operations Work Program, must be approved by the Commission. **Revisions to the STIP must also be approved by the Commission.**

***SUSPENDED ADDITIONS TO STIP – January 8, 2014*** - Commission unanimously suspended the addition of new highway improvement projects to the STIP, EXCEPT (1) projects in *Safety and Taking Care of the Existing System* categories where funds are already committed in the STIP, but the specific projects have not been identified; (2) projects funded with federal sub-allocated funds matched with local agency funds; and (3) projects approved by the Cost-Share

### Highway Right-of-Way and Construction Program

The Commission will be furnished a monthly report showing the aggregate final cost of completed highway and bridge projects compared to the respective program estimates and must authorize additional funds for the program should the annual aggregate final costs exceed the program estimate by more than two percent (2%).

### Multimodal Work Program

The Director, Chief Financial Officer, Chief Engineer, Assistant Chief Engineer, or the Multimodal Operations Director may execute all documents necessary to carry out the approved Multimodal Work Program.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph B and ParagraphB8, Multimodal Work Program

Last Reaffirmed:

Date of Origin: January 11, 2011 – EOD

Related Commission Minutes: January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review; January 8, 2014 – Suspended additions to STIP with exceptions.

## **STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM - COMMITMENT**

The Commission-approved Statewide Transportation Improvement Program (STIP) is a commitment to the citizens of Missouri. Projects identified in the STIP for right-of-way, design, and/or construction will be MoDOT's priority for program delivery. The STIP will be carried out in accordance with the Code of Federal Regulations.

Effective Date: November 7, 2013

Supersedes Policy Dated:

Last Reaffirmed:

Date of Origin: November 7, 2013

Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review

## **STIP FUNDING ALLOCATION**

*After soliciting significant public involvement into its funding allocation process in 2003, the Commission approved a policy for distribution of funds available for road and bridge improvements. This decision is the financial basis upon which the Five-Year Statewide Transportation Improvement Plan is prepared.*

Of the total funds available for road and bridge improvements in the Statewide Transportation Improvement Program (STIP), including federally earmarked funds, allocation will be in keeping with the following process:

Step 1: Deduct federally sub-allocated funds designated for specific purposes, including the following:

- Off-System Bridge Replacement and Rehabilitation Program (BRO) - Maintain replacement and rehabilitation funding for bridges not on the state road system at the fiscal year 2009 (SAFETEA-LU) level of \$21.2 million.
- On-System Bridge Replacement and Rehabilitation Program (BRM) – Small Cities - Maintain replacement and rehabilitation funding at \$500,000 per year for the state roads' competitive bridge program for small cities with a population of 5,000 to 200,000.
- On-System Bridge Replacement and Rehabilitation Program (BRM) – Large Cities – Maintain replacement and rehabilitation funding at \$6.3 million per year for the large urban bridge program serving the Kansas City, St. Louis, and Springfield regions.
- Small Urban Surface Transportation Program (STP-U) – Small Cities – Maintain funding at \$3.5 million per year for the small city road or bridge program for cities with a population of 5,000 to 200,000.
- Large Urban Surface Transportation Program (STP-U) – Large Cities – Maintain funding at approximately \$60 million per year for Kansas City, St. Louis, and Springfield, as mandated in the current federal transportation act.
- Congestion Mitigation and Air Quality (CMAQ) Program - Distribute Missouri's estimated minimum guarantee of CMAQ funds to St. Louis and Kansas City based upon population. Distribute remaining CMAQ funds to the area(s) not meeting federal air quality requirements. This distribution will use the same demographics included in apportioning the federal CMAQ funds to Missouri.
- Enhancement Program – Maintain funding at 75 percent of Transportation Alternatives program per year.

Step 2: Deduct funding for other transportation modes (aviation, railways, transit, and waterways) appropriated by the state legislature for the designated purposes. This funding cannot be used for roads and bridges.

Step 3: Deduct the financing cost for projects accelerated through bond financing, including debt service relative to Amendment 3.

Step 4: Deduct federal discretionary (above-formula) earmarks for distribution to the related earmarked projects. This distribution will be *in addition to* the district-distributed funds.

Step 5: Beginning in Fiscal Year 2013, deduct \$45 million for economic development and cost-share projects statewide. Deduct an additional variable amount with savings generated from debt service savings associated with refinanced bonds and redirected internal operating budget cost savings plus an additional variable amount for Fiscal Years 2013 through 2015 generated from prior project savings.

**Of the remaining funds available for road and bridge improvements:**

Step 1: Deduct Amendment 3 Funds for use on Element 3 of MoDOT's Smoother, Safer, Sooner Program.

Step 2: Allocate \$460 million to Taking Care of the System, divided as follows:

\$125 million for Interstates/Major Bridges

\$ 25 million for Safety Projects

Distribution based on three-year average accident rate.

\$310 million for remaining Taking Care of System

Distribution based on a formula that averages:

- Percent of total Vehicles Miles Traveled (VMT) on the National Highway System and remaining arterials.
- Percent of square feet of state bridge deck on the total state system.
- Percent of total lane miles of National Highway System and remaining arterials.

Step 3: Allocate \$131 million to Flexible Funds that can be used for either Taking Care of the System or Major Projects and Emerging Needs.

Distribution based on the average of:

- Percent of total population.
- Percent of total employment.
- Percent of total VMT on the National Highway System and remaining arterials.

Step 4: Allocate remaining funds to Major Projects and Emerging Needs. Project priorities will be determined by cooperative efforts of MoDOT, regional planning commissions, metropolitan planning organizations, and others as outlined in the Framework for Transportation Planning and Decision-Making. These funds are

distributed to the three Transportation Management Areas and the rural area based on formula that averages:

Distribution based on a formula that averages:

- Percent of total population.
- Percent of total employment.
- Percent of total VMT on the National Highway System and remaining arterials.

Half of the rural area funding is distributed to the districts based on the above factors. The other half of the rural funding will be used for statewide rural projects.

In order to allow flexibility for local regions to be able to take advantage of federally earmarked (above-the-line) funds and to the extent allowed by federal and/or state law, all district distributed right-of-way and construction funds will be available for use on both the state and local high-priority projects, up to the earmarked amount.

Effective Date: November 7, 2013  
Supersedes Policy Dated: March 1, 2012  
Last Reaffirmed:  
Date of Origin: January 10, 2003

Related Commission Minutes: January 10, 2003; June 2, 2004; February 7, 2006; February 4, 2011; March 1, 2012; November 7, 2013 – Comprehensive Policy Review  
(February 4, 2011- Increased base level funding from \$30M to \$35M and added a variable amount component with savings generated from debt service associated with refinanced bonds and with redirected internal operating budget cost savings).  
(March 1, 2012 – Beginning in Fiscal Year 2013, increased base level funding from \$35M to \$45M and added a variable amount generated from prior project savings for Fiscal Years 2013 through 2015.)

## **STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM PLANNING FRAMEWORK**

*The Planning Framework Process endorsed by the Commission in 2004 and reaffirmed in 2006 represented a significant change in MoDOT's project selection process by involving metropolitan planning organizations, regional planning commissions, and others in the project selection and project priority decision-making process. In 2010, MoDOT was recognized with two national awards for this innovative process.*

Engaging Missourians in the planning process through project selection and prioritization will culminate in the development of a Statewide Transportation Improvement Program that improves safety, promotes economic development, and provides citizens an opportunity to determine how transportation funds are spent. The Director shall implement a planning framework that ensures public involvement in a transparent process that identifies transportation needs and selects and prioritizes transportation projects. Public input into this process will be through regional planning commissions, metropolitan planning organizations, and others.

Effective Date: November 7, 2013  
Supersedes Policy Dated: February 7, 2006  
Last Reaffirmed:  
Date of Origin: March 10, 2004

Related Commission Minutes: February 10, 1994; March 10, 2004; February 7, 2006; November 7, 2013 – Comprehensive Policy Review

## **JOINT STIP PROJECTS WITH STATE AND LOCAL GOVERNMENTAL AGENCIES**

Agreements with state and local governmental agencies and others for use of, and/or improvements to, roadways within their jurisdictions to facilitate improvements to the state transportation system may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

(January 12, 2011-EOD; April 3, 2012-EOD)

Effective Date: April 3, 2012 – EOD, Paragraph B7a

Supersedes Policy Dated: January 11, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: February 4, 1999

Related Commission Minutes: February 4, 1999; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review

## **ENVIRONMENTAL APPROVALS**

Documents required by a federal or state regulatory agency prior to authorizing MoDOT to proceed with planning, design, and construction of a proposed project may be approved and executed by the Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer or State Design Engineer. These documents shall include, but not be limited to, documents providing analysis of the environmental effects or impacts of a proposed project and documents determining or suggesting that the proposed project is exempt or categorically excluded from such environmental analysis. These staff members may delegate to others under their supervision by written advisory filed with the State Design Engineer.

Effective Date: April 3, 2012 – EOD, Paragraph B5

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: September 14, 1977

Related Commission Minutes: September 14, 1977; January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review

## **ENVIRONMENTAL DAMAGE MITIGATION**

Contracts with property owners and/or third parties to mitigate environmental impacts as a result of project construction, including contracts to acquire and/or develop sites for mitigation banking, may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer, provided the estimated cost of the mitigation is included in the relevant STIP. (Mitigation banking typically results in regulatory agency credits to offset environmental project development or construction impacts or damage at a different location.)

Effective Date: April 3, 2012 – EOD, Paragraph B6

Supersedes Policy Dated: January 12, 2011 - EOD

Last Reaffirmed: November 7, 2013

Date of Origin: July 10, 2001 – EOD

Related Commission Minutes: July 10, 2001-EOD; January 12, 2011-EOD; April 12, 2012-EOD; November 7, 2013 – Comprehensive Policy Review

## **STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM IMPLEMENTATION – Execution of Documents**

Agreements, other than those identified elsewhere in the Commission's policies, necessary to provide the improvements contemplated by the STIP wherein there is no cost or the cost is \$200,000 or less may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

Effective Date: November 7, 2013

Supersedes Policy Dated: April 3, 2012-EOD, Paragraph B11

Last Reaffirmed:

Date of Origin: July 10, 2001 – EOD

Related Commission Minutes: July 10, 2001-EOD; January 12, 2011-EOD; April 12, 2012-EOD; November 7, 2013 – Comprehensive Policy Review